The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japanese Menace in North China More Serious Since Pu Yi Coronation

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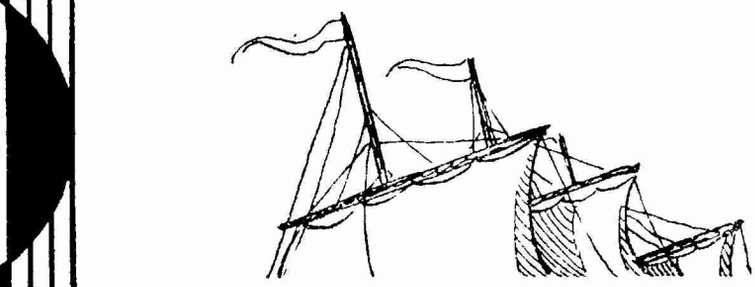

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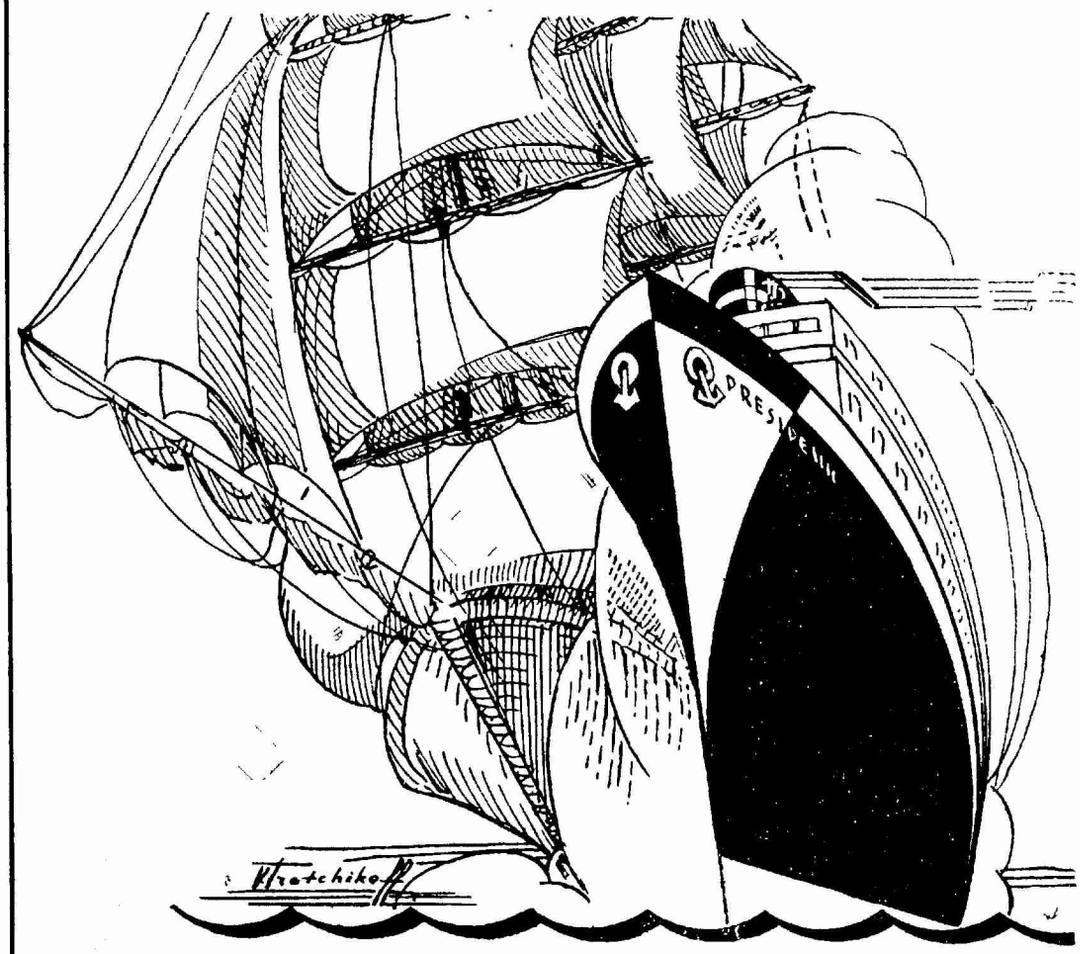

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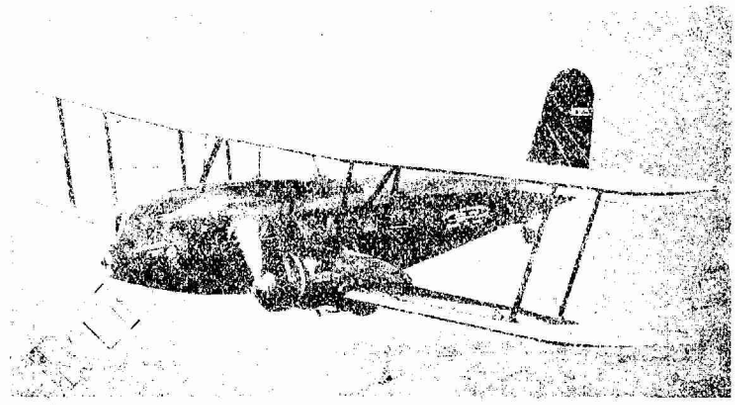

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Formerly Millard's Review

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WASHINGTON OFFICE
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Colorado Building, Washington, D. C.

MOTIVES FOR ASSASSINATION OF EDITOR MUTO

WHILE reports circulated to the Shanghai newspapers by the Japanese official *Rengo* service have indicated that Sanji Muto, editor and publisher of the *Jiji Shimpo*, was assassinated because of some local issue pertaining to the construction of a crematorium in the outskirts of Tokyo, reports from other sources, particularly *Reuters* message from Tokyo on March 11, indicate that the incident was much more serious. According to *Reuters* message it was believed that the shooting was a sequel to the recent exposure by the *Jiji Shimpo* of alleged scandals in connection with the government's recent merger of private iron and steel works into an official company. Muto had criticised the merger alleging that private plants in a bankrupt condition had been overvalued, thus forcing up selling costs on the army and navy. The scandal resulting from the merger had led to sensational charges of corruption in the Diet causing the resignation of Baron Kumakichi Nakajima, Minister of Commerce and also having some connection with the later resignation of Mr. Hatoyama, Minister of Education.

Since the assassin, Shinkichi Fukushima, immediately committed suicide following his murder of Muto it is doubtful whether the real facts ever will be known. Messages by *Rengo* alleging the cause of the assassination as being due to a dispute between Fukushima and Muto over the construction of a crematorium in the outskirts of Tokyo did not carry conviction. A full report of the incident based on messages from various sources appears elsewhere in *The Review*, but the assassination of this prominent industrialist, editor and publisher was undoubtedly connected with the present abnormal political situation prevailing in Japan. Muto was one of the leading industrialists of Japan and had been the leading figure in building up the powerful Kanegafuchi cotton company of which he became president. Following his retirement from the cotton spinning and weaving concern in 1930 he had purchased a controlling interest in the *Jiji Shimpo* and became editor of this influential paper, in which capacity he had led the campaign late last year which had resulted in Japan's boycotting of Indian cotton as retaliation for India's action in raising the duty on Japanese cotton-goods. Muto had served three terms in the Diet since 1924. The *Jiji Shimpo* was regarded as a Mitsui organ and editor Muto as a spokesman of the powerful Mitsui interests.

It is no secret that a major subject of discussion in the present session of the Japanese Diet has pertained to corruption in Japanese politics, leading to allegations in both foreign and Japanese circles in Tokyo that the Japanese government as now constituted probably is the most corrupt in the world. The official investigations of

political corruption by the Diet, leading to the recent resignations of two high cabinet ministers and demands that the entire Saito cabinet should resign, have resulted from charges by radical elements in the Army and Navy that politicians, political-merchants and capitalists are all corrupt and should be eliminated from the government. Whether a fascist regime inaugurated by the military would be any more honest than the present politicians, might provide an interesting subject for debate, but the charges pertaining to corruption on the part of the politicians and political-merchants have at least had the effect of bringing the matter of corruption out in the open. According to the translations of the Diet proceedings which have appeared in the English language newspapers in Japan, the official investigations of corruption have not been conclusive, particularly the charges by Kadzumi Okamoto a member of the Seiyukai or majority party, that certain cabinet ministers had distributed bribes among 137 members of the parliament. But they had the effect of causing the resignations of the Ministers of Commerce and Education, both using the old Chinese excuse of "ill health." At any rate the impression prevails in Japan that where there is so much smoke there must be some fire, hence the apparent connection between these stirring developments in the Diet and the growing resort to direct action, otherwise assassinations of public men.

In the session of the House of Peers on Feb. 15 the subject of control of the Japanese press was raised in connection with interpolations pertaining to the prosecution of members of organizations who were involved in the so-called May 15 (1932) incidents which resulted in the assassionations of Premier Inukai and Baron Dan, head of the Mitsui interests. Giichi Matsumura, member of the Koseikai faction in the House of Peers, declared that the control of the press in Japan "left much to be desired," in which connection he charged that one paper had made frequent reference to "great villains near to the Throne." He also charged that other newspapers had referred in "high terms" to the attitude of the accused in the May 15 affair. He said that the use of such language had a deleterious effect on the social order, but the Home Office had taken no steps to control such press utterances. In conclusion he claimed that recently the newspapers "had become more guarded and cautious," leading to a belief that the press was under pressure from a "certain quarter." It was the obvious duty of the policy to protect the press from illegal pressure, hence the high necessity of the Home Office paying greater attention to the matter. Mr. Matsumoto, director of the police bureau, in replying to the interpolation on behalf of Baron Yamamoto, Home Minister, said that the police had not interfered with the newspaper reports of the trials of the culprits involved in the May 15 affair "because the trials were open to the public." Regarding the charges pertaining to "great villains near to the Throne," which had appeared in a certain newspaper, Mr. Matsumoto said that he had not taken any action "because the charge did not directly involve the Imperial Family," but nevertheless the authorities had issued repeated warnings to the newspapers concerned. He also said that the Home Office was making "earnest efforts to protect the freedom of the press."

The outside world as yet knows little about the political storm which is brewing in Japan, which not only involves the continuance of parliamentary government, but also intimately concerns world peace. Owing to the suppression of political criticism and freedom of speech and the press which has prevailed since the military clique embarked on the Manchurian adventure in 1931, the debates in the present session of the Diet have been much more bitter than otherwise would have been the case had there been no suppression. The Diet literally has "torn the lid off" and since the present government is a creation of the military, it has been the center of attack despite warnings issued early in the session to the leaders of both leading parties that "nothing be said that might have the effect of stirring up the military." Members have even charged openly that the entire Manchurian affairs was a "breach of military discipline," and have asked what the Government intended to do about it. The military, of course, wants a fascist dictatorship, but the politicians and political-merchants have no intention of surrendering a control which has proved so profitable in the past. Also, it must not be overlooked that despite the obvious corruption in political circles which the political leaders admit and are trying to correct, there is a strong sentiment in Japan favorable to democratic party government, hence the present system of government is not likely to be overthrown without a serious struggle. The fact that the jails of the country are filled with persons charged with possessing "dangerous thoughts" is indicative of the seriousness of the struggle. And it should be noted most emphatically that those who have been incarcerated on charges of possessing "dangerous thoughts" are not all communists. Large numbers of them have merely advocated a change in the constitution which would eliminate the present preferred and dominant position of the military in the body politic.

CANTONESE OBTAIN RELEASE OF KIDNAPPED KOREAN

A Chinese-naturalized Korean named Pu Yee-yi, a resident of the Tungshan district of Canton, was kidnapped last October by consular police attached to the Japanese consulate in Canton. The Japanese consular police, without notifying the Chinese authorities, simply drove in a motor car to the Korean's residence, located in Chinese territory, and after seizing their victim took him to the Japanese consulate. But since the Japanese consulate-general at Canton apparently does not have a jail for confining prisoners, the Korean was placed in the jail attached to the French consulate, the Japanese intention apparently being to ultimately remove the man either to Japan or Korea for imprisonment. The incident naturally stirred up serious resentment in Chinese governmental circles at Canton because Pu Yee-yi was a naturalized Chinese citizen and the Japanese had brought no official charges against him. The Mayor of Canton, Liu Chi-wen, immediately lodged a strong protest, not only with the Japanese authorities but also with the French, in whose jail the Korean was confined. It may have been due to the French connection with the affair that Pu Yee-yi ultimately was released for the Chinese newspapers in Canton were bitter on the subject and accused the French of connivance with the Japanese in the arrest and persecution of Koreans who had become Chinese citizens.

But regardless of the reasons for Pu Yee-yi's release from the French jail, the Cantonese authorities are to be congratulated on their success in this case for they have thereby established a precedent which the National Government at Nanking as well as the Chinese Municipality of Greater Shanghai should be able to follow in similar cases. Recently the Japanese authorities at Shanghai had the effrontery to tell the Chinese authorities that Japan did not recognize the Chinese naturalization of Koreans, hence any Korean wanted by the Japanese authorities had to be turned over and if the Chinese authorities did not comply, the Japanese would use forceful measures. As a matter of fact the Japanese have been using forceful measures in seizing Chinese-naturalized Koreans in this section of China for a considerable time and worse—several months ago the Japanese brought here a gang of ruffians and gunmen from Korea who have been shooting down Koreans in the foreign settlements and in Chinese territory, and doing it without any serious protest or retaliation on the part of the

Chinese authorities. The Japanese even kidnapped a Chinese-naturalized Korean in Nanking in a section of the city adjacent to the buildings of the National Government and little was heard about it even in the Nanking newspapers. Since these Koreans have become Chinese citizens in accordance with Chinese laws, China's failure to resist the illegal Japanese activities indicates one of two things—that China no longer considers her naturalization laws effective or on the other hand it is an indication that China has been so terrorized by Japanese aggression that she no longer has the courage to resist. The situation is a serious one, particularly in view of the announced intention of the National Government to demand a revision of the exterritorial treaties.

Of interest in connection with this subject was the case of the Cantonese Hsu Kwang-yu which was reported in *The China Press* on Sunday, March 11. According to the report, Hsu is a native of the Hsiangshan district of Kwangtung province. For some time he was employed as an accountant by the Japanese chamber of commerce at Kobe. The Japanese claim that Hsu embezzled $24,000 by means of forged checks and together with his Japanese wife and child fled to Hongkong. Recently he came to Shanghai and has been living in the International Settlement. A few days ago the Japanese consular police, accompnaied by the police of the Settlement, went to Hsu's house and arrested him, but instead of turning this Chinese citizen over to the First Special District Court, he is being held by the Japanese consular authorities who have announced their intention of sending him to Japan for trial.

GEORGE HANSON'S TRANSFER FROM HARBIN TO MOSCOW

PRESIDENT Roosevelt and the officials of the Department of State are to be congratulated on their wisdom in selecting George Charles Hanson for the important post of Consul-General in Moscow. Ordinarily the post of consul-general at an embassy is more or less overshadowed by the ambassador and the diplomatic secretaries, but in this instance the situation is different because Hanson undoubtedly was selected for the Moscow position because of his familiarity with the complicated politics of Manchuria and the Far East. A recent *Reuter* report from Harbin telling of Mr. Hanson's departure after a service as American consul and consul-general extending over a period of a dozen years stated that his transfer from the north Manchurian city was deeply regretted by all elements in the city, an obviously correct statement. Mr. Hanson began his service at Harbin in 1922, following the Washington Conference and the withdrawal of the American expeditionary forces from Siberia. At that time Harbin and the Chinese Eastern Railway were dominated by the Russian emigrees, but two years later following the Sino-Soviet agreements, the Soviets came into control and continued until the brief period in 1929 when the Chinese authorities assumed control but lost it soon afterward when the Soviets restored their position. Then came the Japanese intervention in 1931 and the ousting of the Chinese from their controlling position in north Manchuria and partnership in the C. E. R. Hanson served through all these complications between white and red Russians, Chinese and Japanese, and managed to maintain friendly relations with all, at the same time extending protection to legitimate American interests in that area. With the exception of the consular district at Tientsin, the area under the jurisdiction of the American consulate in Harbin probably is the largest in Asia. Certainly it contained more diverse and complicating elements, racial, political and economic than any other equal area in the Chinese domain. He was particularly the friend of the newspapermen sent to that area to write articles on Manchurian politics for papers in all quarters of the globe. Hanson literally "knew everybody" and it was not unusual to observe him reach for the telephone and converse with Russians and Chinese in their respective languages and then turn to the correspondents and tell them in a few words "what it all was about." Mr. Hanson was born in Bridgeport, Connecticut and received a degree in engineering at Cornell in 1908. In 1909 he was appointed to the student interpreter class at the American Legation in Peiping and after studying the Chinese language for two years he was made vice-consul at Shanghai. He then served at Chefoo, Dairen, Tientsin, Newchwang, Swatow, Chungkiang and Foochow, following which he was appointed to the post at Harbin. His transfer to the more important post at Moscow was a deserved promotion for in the Russian capital he will be able to be of even greater service not only to his fellow ocuntrymen but also in the larger and vitally important sphere of Russian-American relations.

China's Real Danger Is in the North

THE military bulletin issued from the headquarters of the Imperial Japanese Army in Tientsin is always a good barometer of Japanese military psychology. It is therefore with special interest that one observes in the March 8 issue of the Japanese bulletin a statement referring to China's attitude on the Pu Yi enthronement to the effect that "none are so blind as those who do not want to see." Following this statement the editor of the bulletin declared that despite the opposition of the "supposed government of China at Nanking," the people of north China looked upon the recent historial events at Hsinkiang (Changchun) "not with indifference, because this part of China is too close to the new emperor of Manchukuo who was once their sovereign and who also is very familiar to the north China people." The writer in the Japanese military bulletin also stated that had it not been for the activities of "some elements belonging to the so-called Blue-Shirts," many of the newspapers in the north would have adopted a "congratulatory attitude toward the new empire of Manchukuo." Following this the article quoted three "old China hands," a Frenchman, an American and a Briton (without names), all in approval of Japan's action in restoring Pu Yi to the Manchu throne and forecasting significant developments in north China shortly. The un-named Frenchman was quoted as saying that the enthronement of Pu Yi had given a "great shock" to the people of north China; the un-named American was quoted to the effect that the "whole population of China is disgusted with so-called republican government during the past 23 years and in consequence must reconsider their own state as compared with conditions in Manchukuo, hence there will be a certain movement among the Chinese to restore an emperor to China;" the un-named Briton declared that it was "foolish and impossible for Chang Hsueh-liang to think about a return to power in north China, because there already is a secret movement among the Chinese people of north China to create a new atmosphere by which they might be able to ask the new emperor of Manchukuo to be their own emperor in order that north China might enjoy the same peaceful conditions as at present are existing in Manchukuo."

These statements appearing in a bulletin issued from the Imperial Japanese military headquarters in Tientsin indicate without much question the present drift of Japanese military thought with respect to north China. In Dairen, Mukden and Changchun the Japanese warlords are more open in their statements and claim that all

north China, including even Hopei, Shantung and Shansi provinces, will be under the old Manchu banner of Pu Yi before the middle of the coming summer. They claim that this will be brought about "peacefully" by Chinese generals and politicians in north China who will flock to Changchun in order to obtain Japanese military protection against the forces of disorder in China proper south of the Great Wall. To refer again to the statements in recent issues of the Japanese military bulletin, it was claimed that aside from certain disturbances caused by Kuomintang agents in the so-called "neutral" zone extending from Peiping-Tientsin to the Great Wall, that conditions remain peaceful in that area "due to the overshadowing influence of the Japanese army in Manchukuo."

Other recent developments in north China indicate the trend of Japanese military psychology, the most significant being the recent military maneuvers conducted by the Japanese army detachments in the vicinity of Tientsin which were much more extensive and menacing than previously. Another was the action of a Japanese military emissary, attached to the headquarters in Tientsin, who visited American and British missionary establishments and inquired about the location of their properties, the information being required "in the event of developments involving possible military operations in which mission property might conceivably suffer through lack of such information." The action of this Japanese spy was "disavowed" by the Japanese Legation officials in Tientsin, but the Japanese military authorities must have enjoyed the resulting sensation in foreign circles in Peiping and Tientsin, knowing full well that the news would be quickly relayed to Nanking where the Japanese minister, Akira Ariyoshi, has been pressing the National Government to recognize Manchukuo.

The meaning of these developments in north China should be perfectly plain to intelligent Chinese: Japan is going to force the National Government to recognize Manchukuo, openly or secretly, or the Japanese army will shortly take steps to extend the authority of the puppet emperor Pu Yi southward and westward, possibly to include Shantung, Hopei and Shansi provinces as well as the extensive area embraced in Inner-Mongolia. In furthering this scheme the Japanese army has practically unlimited "secret" funds at its disposal for bribery and intrigue but in the event these methods fail they will not hesitate to resort to military measures. Close observers of the present governmental crisis in Japan are certain that the Japanese army will be compelled to move "somewhere" shortly because of the growing political storm in that country. For a time it was thought the Japanese war-lords would move against Russia, but this is not now so certain unless the Japanese are able to find a strong ally in Europe. But even though the Japanese do or do not move against Russia, China will not be able to escape because the Japanese army is determined to control north China and Inner-Mongolia for the purpose of bringing these areas into Manchukuo and for the further purpose of completely severing all possible land communication between China and the Soviet Union. Japanese military control of north China and Inner-Mongolia also will make effective the much-discussed "Japan-Manchukuo-China-Bloc" which the Japanese military elements regard as vitally necessary in order to establish Japanese hegemony in the Far East. On Feb. 25 *The China Press* published a dispatch from Tsingtao alleging that certain Japanese interests were in a position to extend China a loan of Yen 60,000,000 for financing the construction of various railway lines in north China which the Japanese consider necessary for consoliding their position in this area. The railway lines mentioned included a 200-mile western extension of the Tsingtao-Tsinan line which would connect the Japanese-dominated port of Tsingtao with Shansi province where Japanese economic and political influence is already an important factor. Another railway project having much the same object is a 200-mile link between Tangku (located on the Gulf of Chihli to the east of Tientsin) and Shihchiachwang in western Hopei, which would provide direct connection with Taiyuanu, capital of Shansi. A third railway project mentioned in the Tsingtao report, was a 1,000-mile westward extention of the Peiping-Suiyuan line from Powtowchen which, if controlled by the Japanese would enable them to send their armies into Inner-Mongolia and Sinkiang or Chinese Turkestan, to the very heart of Russia. The Japanese military authorities in Jehol province have been engaged for several months in constructing a new railway which will connect Chengteh, capital of Jehol with the Japanese system in Manchuria and they hope eventually to extend this line from Chengteh westward through southern Chahar to Kalgan which would enable them to send troops to Inner-Mongolia to the rear of the Soviet position in Outer-Mongolia.

The Peiping *Morning Post* on March 8 said that "with a Japanese-Manchukuo economic alliance having become a reality, Japanese financial circles are turning their attention to China proper. The Japanese financiers now favor economic cooperation with China. Since the visit of Chang Chia-ngau, General Manager of the Bank of China, to Japan last year, the Sino-Japanese Association and financial leaders have been exerting their utmost in this direction. Several industrial leaders and bankers, including Kodama, president of the Yokohama Specie Bank, have already had an informal meeting with officials of the Chinese legation in Tokyo and another conference is to be held shortly upon the arrival in Tokyo of a high Chinese official....."

That there is some realization of the seriousness of the situation in north China and the world situation as well is indicated in recent statements in other Chinese newspapers, The *Sin Wan Pao*, a leading Shanghai newspaper on March 10 admitted that the situation in the Far East had become more serious following the enthronement of Pu Yi as emperor of Manchukuo and Japan's efforts to induce various countries such as Germany and Poland to extend recognition. But whether Japan succeeds or not, "China should take action to counteract the malicious Japanese propaganda and convince the Powers that Manchuria is still Chinese territory.....The fateful year of 1936 is approaching and everybody is forecasting something disastrous to happen. The activities of diplomats in Europe and America are all directed toward the coming war. They know that unless they win support for themselves, they will be doomed in the coming world war. China being a weak country has no one to depend on, hence it is surprising that the Chinese authorities appear not to be worrying in the least over the situation."

The *World Daily News* in Peiping on March 6 said that if Japan were to throw open Manchuria to the trade of the whole world, "there is no guarantee that the Powers would not recognize the puppet state...and so long as we cannot recover our lost territory, we cannot prevent the Powers from recognizing the puppet state... which owes its existence to the military strength and support of Japan. If Japan is not strong enough to support Manchukuo it will collapse of itself even if all the Powers had recognized it.....If we want to exterminate Manchukuo we must be able to resist Japan successfully, failing which, there is no hope for the abolition of Manchukuo."

Wang Ching-wei, chairman of the Executive Yuan and concurrently Minister of Foreign Affairs, in the course of an address on March 12, the anniversary of the death of Dr. sun Yat-sen declared.

"In the pressent-day, world peace is merely a theoretical, not a practicable term, but in order to realize his ideal, we must struggle on. The struggle, however, does not depend on our will alone, but also upon our strength. The will may be aroused in a day, but the strength cannot be consolidated in the same short space of time. No modern state can exist except through fierce struggles with its enemy, utilizing all the strength at its disposal. This is a cruel, yet precise instance of the survival of the fittest, which gives no chance of survival whatsoever to the weak. Before our strength is consolidated, there are two ways in which we might lay down our lives for the sake of peace and national salvation. Firstly, we can end matters ourselves by a bullet. Secondly, we can die after all our efforts and energies have been exhausted by the struggle to consolidate our national strength."

As for Gen. Chiang Kai-shek, no one knows what plans he really has in mind with respect to the forthcoming crisis. Openly he is preparing for another "anti-red" campaign and recently he launched before an audience of 50,000 people in Nanchang a so-called "New Mode of Living Movement" which embraces discipline, orderliness, responsibility, and honesty, a combination of Y.M.C. A. and Boy Scout principles. Six years ago when the Generalissimo had his first clash with the Japanese troops which the Tokyo general staff had sent to Tsinanfu, Shantung to block the Nationalist advance into north China, Gen. Chiang made a speech to his troops telling them to wait ten years until China was sufficiently strong to meet Japan. Gen. Chiang and his soldiers then marched through the mountains around the Japanese position and proceeded to the capture of Peiping. Since that time he has sidestepped a direct personal clash with the Japanese, leading to frequent charges that he has a secret understanding with the Tokyo general staff, some even alleging that he is glad the Japanese are holding down the lid in north China while he is consolidating his position in the central provinces. But regardless of what Gen. Chiang may say or not say on the Japanese issue, he is working night and day in the development of the nation's land and air-forces, in which important work he is employing the best foreign technical skill available for instruction purposes. Needless to say these activities are receiving the closest possible attention of the Japanese military leaders who frequently declared in reply to interpolations in the Diet that they are taking steps to meet the situation. Statements by Japanese military and civilian leaders indicate that they are not certain regarding the attitude of Gen. Chiang Kai-shek, a situation which Gen. Chiang himself doubtlessly regards as highly desirable in view of China's present inability to meet Japan in a decisive struggle.

Although China has as yet failed to take advantage of Russia's offer of a non-aggression treaty which might, conceivably lead to an even closer cooperation between the two countries in meeting the Japanese menace, there is nevertheless a striking similarity in the policies of the two countries toward the Japanese, policies which may be expressed in the terms "conciliation and resistance." Both the Russians and the Chinese seem to realize instinctively that the Japanese are certain to defeat themselves in one of two ways: First, their imperialism may develop in such grandiose manner as to ultimately bring down on them the united military and economic retaliation of the entire world; or the Japanese military elements may so over-extend themselves in their continental adventures as to bankrupt their nation and thereby bring about a devastating domestic revolution in the Island Empire.

But whether it is to be war between Japan and Russia or an international conflict, or merely more Japanese military activities in China's northern provinces, the situation should be sufficiently serious to warrant the closest possible attention of China's leaders both inside and outside of the government leading to the early submergance of personal and factional differences and the unity of all in the common cause.

Wang Ching-wei Discusses Rural Rehabilitation

On the occasion of the 9th anniversary (March 12) of the death of Dr. Sun Yat-sen, the founder of the Chinese Republic, President Wang Ching-wei delivered an address at the weekly memorial service at Central Party Headquarters in Nanking. Following is a free translation of the principal points in the address:—

The anniversary of the death of our Party Leader on March 12 reminds us of the circumstances under which he died, and fills our hearts with profound sorrow.

The precarious position of the Chinese nation was painfully pointed out to us by our late Party Leader in his Three People's Principles. Since his death months and years have passed with more troubles and failures until the national crisis has assumed its present disastrous proportions. We cannot but admit with pain that under present circumstances there is no possibility of independent existence for China, because her powerful neighbors can crush her at any time they like. This being the case we Chinese—especially our comrades who have assumed the duty of consummating the National Revolution—can see no value in life under such conditions. Every day we live, we have to bear the burden of further humiliation. We must therefore prepare to lay down our lives for *"Peace,"* we must *"Struggle,"* and *"Save China."* We dare not say that our death will save China, but we cannot face our Late Leader in the Great Beyond feeling that we had not done our utmost here to carry out his will.

In the present-day world Peace is merely a theoretical, not a practicable term, but in order to realise this ideal, we must struggle on. The struggle, however, does not depend on our will alone, but also upon our strength. The will may be aroused in a day, but the strength cannot be consolidated in the same short space of time. No modern State can exist except through fierce struggles with its enemy, utilizing all the strength at its disposal. This is a cruel, yet precise instance of the survival of the fittest, which gives no chance of survival whatsoever to the weak. Before our strength is consolidated, there are two ways in which we might lay down our lives for the sake of peace and national salvation. Firstly, we can end matters ourselves by a bullet. Secondly, we can die after all our efforts and energies have been exhausted by the struggle to consolidate our national strength.

What we need at the present moment is concrete strength, which we must enhance day by day and little by little. Concrete strength is obtained only through reconstruction and there are many ways in which this can be carried out.

Some people are saying that highway construction will merely exhaust the nation and prove a waste of money; this is a one-sided view based on superficial reasoning.

As an active step towards the rehabilitation of rural districts, a conference of experts was convened last year by the Rural Rehabilitation Commission, when a number of measures were drafted. Though these drafts are still to be examined and adopted, and funds must be raised for their execution, the realisation of these active measures must be conditional on the enforcement of certain passive measures. These include the integrity of individual life and property and adequate guarantees through political and military protection. The most urgent and important of these is the abolition of exorbitant levies and miscellaneous taxes. To cite one instance; investigations conducted by the Rural Rehabilitation Commission last year showed that the farm surtax collected in different provinces sometimes amounted to from 25 to 31 times the regular Farm Tax. Unless these extortionate levies and other miscellaneous taxes are abolished, it will be futile to talk of rural rehabilitation.

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March 12---Ninth Anniversary of Dr. Sun Yat-sen's Death

March 12 was the ninth anniversary of the death of Dr. Sun Yat-sen, founder of the Chinese Republic The day was appropriately celebrated throughout China, the day being observed as a general holding in government offices, whose flags were placed at half must. The Nantao (Shanghai suburb) services were conducted with Kuomintang rites. The party hymn was sung, and Dr. Sun's political will was recited. The audience bowed before the national and party flags and also the picture of the late leader. A three minute silence was observed. Following lectures by representatives frsm the various organizations, the meeting was brought to a close with the shouting of slogans.

In the Civic Center, a similar memorial service was held, featuring the planting of trees. More than 12,000 trees were planted in line with the day as the new "Tsing Ming" festival. This ceremony was sponsored by the Bureau of Social Affairs.

Canton and Nanking Honor Memory of Dr. Sun With Tree Planting

Five thousand trees were planted in an Arbor Day ceremony on the Siyukang Hills near Canton March 12 after a meeting commemorating the anniversary of the death of Dr. Sun Yat-sen, founder of the Chinese Republic. Thousands of students and many high officials were present at the memorial service and also at the tree planting rites. A general holiday way observed.

At Nanking the members of the C. E. C. and C. S. C., led by the President Sun Fo, son of the Founder of the Republic, gathered at the Sun Yat-sen Mausoleum early in the morning to pay homage to the memory of the late Party Leader. After laying a wreath at the tomb of Dr. Sun, they proceeded to Central Party Headquarters where memorial service was held.

Arbor Day was fittingly observed at public meeting held at I-Tsu School (for the children of the Revolutionary War Dead) in Nanking Mar 12. Following the meeting, the gathering repaired to the playground of the School, where they planted a total of 4,000 saplings covering an area of 10 mow. President Lin Sen personally planted a sapling, beside which a stone was set up by the Afforestation Association to commemorate the occasion.

Red Pills Create Havoc in China

The Shanghai *Shun Pao* comments: "North China to-day is not only threatened by the imperialists, bandits, Communists and corrupt officials but also by red pills, a narcotic even stronger than opium. Many people in North China, who were opium addicts before, are taking these pills although they know very well that they are poisonous. Red pills find a good market in North China because there are thousands of people engaged in smuggling them into big cities and towns. The main reason for this is the impending bankruptcy of farmers. The farmers in North China are suffering from lack of foodstuffs in years of shortage, but they likewise suffer from surplus production in years of plenty. As a result of this continued economic depression their health gradually breaks down and they try to find some way to secure stimulation. Naturally they find no better stimulant than a narcotic. The farmers in North China have no amusement. The situation is becoming worse daily. As many farmers and business men in North China have come to the south they have introduced this red pill business into South China as well and now we find many people in the South also taking to this evil habit. Therefore, like the imperialists and communists, the red pills have also become one of the burning questions of the day.

"It is very difficult to prevent the smuggling of red pills. The authorities in North China have done everything they can to prevent smuggling and many smugglers have been executed, but trafficking in such pills continues just as usual. The Shansi authorities made numerous attempts to prevent the manufacturing of red pills, but still the manufacture of red pills in that province is constantly on the increase. The trouble with this problem is that it is impossible to prevent people from doing this kind of illegal business when they have nothing else to do. They have to make money some way. If they cannot make money elsewhere they smuggle red pills, no matter if it means their doom. The best way to remedy the situation is to provide employment for these destitute persons, who need money to support their families. When they can find work elsewhere, naturally they will gradually abandon this dangerous business, which may cost them their lives."

Opium-Suppression Committee Approves International Pact

The National Opium-Suppression Commission, at a meeting in Nanking Mar. 9 expressed approval of the International Pact for the Prevention of the Smuggling of Narcotic Drugs. It was also decided that the planting of a certain kind of flax be prohibited in Sinkiang province because an analysis by the Health Administration shows that its narcotic effect is even greater than a similar plant grown in India.

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British Doctor Says Use of Veronal Leads to Suicide

A lively controversy is raging in London between eminent members of the medical faculty over the uses and abuses of such drugs as veronal, medinal and gardenal, all of the barbituric acid group. Sir William Willcox, Medical Adviser to the Home Office, in the course of a recent discussion on "Medico-Legal Aspects of Alcohol and Drug Addiction" at the Society for the Study of Inebriety, said the medical profession should exercise care in the prescription of such drugs, and not order a total quantity on prescription which, if all taken at once, might be a fatal dose. He added that he had seen "a large number of cases of suicide or attempted suicide among persons who had been taking these drugs for a long period. They take an overdose often, because their minds are so confused that they do not care what may happen and hope for the worst." This last assertion has given rise to much controversy in British medical circles.

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How Stuart Fuller Saved the League from Making a Blunder on Opium Issue

A dispatch from Geneva Mar. 11 stated that the timely intervention by the U. S. State Department recently saved the League of Nations from inadvertently recommending *de facto* recognition of Manchukuo through a side-door violation of the 1912 Hague Opium Convention. This maneuver was prevented by Stuart Fuller, chief of the opium division of the State Department. His cry of alarm kept the League from committing two grave errors of social and political importance. For some yet unexplained reason the Sino-Japanese Advisory Committee in recommending practical measures for *de jure* and *de facto* non-recognition of Manchukuo made a serious mistake in its recommendation regarding Manchukuo and opium. The Committee's recommendation permitted governments to grant import certificates for opium destined for Manchukuo provided the certificates were in accordance with the 1925 Opium Convention. Thus, Manchukuo, he informed the League, would soon become the clearing house for the world's illicit drug traffic. If import certificates to Manchukuo were recognized, large quantities of Persian opium, valuable for making stronger and more harmful drugs could be trans-shipped via Manchukuo.

His revelations startled the League's opium committee. They were followed by long and secret meetings in which efforts to rectify the previous error were made. Members of the committee reported that strong pressure was employed by "certain big powers" to maintain the original recommendation despite its dangerous nature. The anti-narcotic elements, however, were victorious.

Chinese Post Office Incurs Huge Loss on Printed Matter

Statistics recently compiled by the Chinese Postal Administration disclose an annual deficit of nearly $10,000,000 in handling printed matter. The Ministry of Communications in this connection declares that, during the year 1931, the Chinese Postal Administration handled 39,600,000 kilograms of printed matter, including books, magazines and newspapers. The actual cost of handling this was estimated to total $14,6000,000. The Administration, however, received only about $2,890,000 for its services and, therefore, incurred a deficit of $11,700,000. The statement points out that the volume of these services must increase each year in proportion to the cultural advancement of the nation. It is feared that the deficits incurred by the Administration in handling these services may eventually reach such proportions that it will be absolutely impossible for printed matter to be handled at the existing rates. The statement concludes with a hint that the Ministry will have to study the question thoroughly with a view to evolving measures to remedy a peculiar situation.

Dr. R. Y. Lo Discusses the Far Eastern Opium Problem

Dr. R. Y. Lo, the author of various treatises on the opium problem, has just issued "The Opium Problem in the Far East," published by the Commercial Press, Shanghai. Dr. Lo goes into the whole opium subject most thoroughly, right from the incision of the popply plant to secure the juice down to details of the world-wide misery which it causes. He describes the opium problem in the Far East, traces the history of prohibition movements in various parts of China, and gives details of trafficking by Japanese in this country. A particularly interesting chapter is entitled "The Truth about Opium Monopolies." In addition to 80 pages of discussion there are 66

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pages of Appendices, comprising the various Geneva Conventions, and other official documents bearing on the subject.

Chiang Kai-shek Orders Poppy Suppression

General Chiang Kai-shek, President of the Military Affairs Commission, has issued orders to the military authorities in northern Anhwei impressing upon them the urgency of suppressing the cultivation of the opium poppy in view of the approach of spring. Assistance should be given to the civil officials in their efforts to suppress the evil. In case military officials are found tolerating the illicit planting, they will be severely punished, General Chiang warns.

Mongolian Autonomy Council Soon to be Inaugurated at Pailingmiao

The Local Autonomy Political Council for Inner Mongolia, which was recently created by a decision of the Central Political Couucil, will shortly be inaugurated at the famous lamsery, Pailingmiao, in Inner Mongolia, according to reports received from Peiping during the week. Gen. Ho Ying-ching, in his new capacity as Directing Commissioner of the Council, to which he had just been appointed, is leaving Peiping in a few days for Pailingmiao to attend the inaugural ceremony of the Council in person and to administer oaths of office to the new councilors. The Council consists of twenty four members with Prince Yun of the Ulantsab League as Chairman. The Council will recieve a monthly allowance of $50,000 from the Central Government to cover its expenses. In order to facilitate the Council to communicate with the Government, a powerful wireless station will be established at Pailingmiao. Arrangements have also beeu made for the establishment of small wireless station in various leagues in Inner Mongolia to enable the Mongolian people to communicate with Nanking and other parts of the country.

The regulations governing the organization of the Mongolian Local Autonomy Political Council and of the Office of the Directing Commissioner were adopted at the meeting of the Central Political Council on March 7.

The Council, according to the new Regulations, will be under the direct jurisdiction of the Executive Yuan of the Central Government and will be subject to direction by the competent Central Government organs and by the Directing Commissioner appointed by the Central Govrnment. The main function of the Council is to administer the political and local self-governing affairs of the various Leagues and Banners. The office of the Council will be established at Pailingmiao, northern Suiyuan.

The Council will be composed of from nine to twenty members, who shall, as a general rule, be native Mongolians, to be appointed by the National Government at the instance of the Executive Yuan. One of these members shall be designated as Chairman and two as Vice-Chairmen of the Council. The Council will have the following subordinate departments to attend to its various affairs; namely, (1) Secretariat, (2) Counsellors; Office, (3) Civil Affairs Department, (4) Public Safety Preservation Department, (5) Department of Industry, (6) Department of Education, and (7) Finance Committee.

The Directing Commissioner (or, the Chief Commissioner for the direction of local autonomy in Mongolia) will have power to direct the Mongolian Local Autonomy Political Affairs Council and also to mediate and settle disputes between the various Leagues and Banners on the one side, and the Provincial and District Governments on the other. The Commissioner has the right to send his attaches to attend meetings of the Council and to give directions thereat. Any reports or documents which the Council may submit to the Executive Yuan or the Mongolian and Tibetan Affairs Committee of the Central Government must simultaneously be submitted to the Commissioner.

Another significant power conferred upon the Commissioner is that he may amend or veto any administrative measure taken or order issued by the Local Autonomy Council whenever he may deem such to be improper. Financial grants from the Central Government to the Council are also to be remitted through the Office of the Commissioner.

Commenting on the critical condition of Inner Mongolia, the *Chiua Times* in an editorial on March 9 urged the Government to take effective measures to protect that territory from being invaded by enemies from both the North and the East. After pointing out the defects of the Eight Points on Mongolian Autonomy which were agreed upon between the Government and the Mongol leaders last Winter at Pailingmiao and on the basis of which the present Mongolian Autonomy Political Council was organized, the paper said:

"What is worse, the eight points put to an end the efforts made by the Chinese authorities during the past many years in the exploitation of Inner Mongolia. If Chinese are not encouraged to go to Inner Mongolia and no new districts are allowed to be established, it virtually excludes the Chinese from that region.

"Although the Governmeni rules that the Autonomous Political Council in Inner Mongolia shall be placed under the control of the Executive Yuan and that an adviser shall be appointed by the Chinese Government to the Council, it is doubtful whether such provisions can become effective.

"Apparently, by the autonomous movement the Inner Mongols actually exclude the Chinese people from their field of activities by only giving the Chinese Government the nominal power of having supreme authority over that region.

"In the new arrangements made between the Chinese Government and the Mongols no mention is made regarding national defense, communications and diplomatic affairs in that region. It is taken for granted that an understanding has been reached that the Central Covernment shall look after these problems. So the Government must not neglect its duties in protecting Mongolia from imperialists.

"Mongolia is now in a critical condition, being threatened from both the north and the east. It is up to the Government to work out effective measures to protect that territory from being invaded. It will not only save Inner Mongolia but will save North China as well."

The Mongolian delegation which came to Nanking after the Pailingmiao conference late last year, left the Capital for Inner Mongolia March 12 to report to their leaders on the result of their mission in Nanking.

It is understood that the various Mongol Princes will hold another conference at Pailingmiao by the end of this month to make preliminary preparations for the establishment of the total Autonomy Political Council for Inner Mongolia, which will take place at Pailingmiao by the middle of April.

General Sun Rejects Peiping Peace Offers, Determines to War on Ninghsia

Hopes for a peaceful settlement of the trouble in the Northwest created hy the rebellious activities of General Sun Tien-ying, deposed Commader of 41st Army, are rapidly vanishing, as General Sun is reported to have rejected the peace proposals of the Peiping Branch Military Council through its delegate, General Fu Chan-kuei, and determined to continue his invasion of Ninghsia. General Sun is quoted as having replied to his mediators that while he appreciates their efforts to seek an amicable settlement of the situation, however he can not leave his comrades in Ninghsia. General Sun's attitude is taken by the Peiping Authorities to be hostile and they have decided to carry out the punitive measure for the complete suppression of General Sun's rebel units.

After a lull of several days during which General Sun took advantage to perfect preparations, the rebel armies under General Sun resumed their attack on Ninghsia city on the morning of March 10. With General Sun's refusal to leave the Army as demanded by the Peiping Authorities, further hostilties in the Northwest may be expected. General Sun is at present at Pinglo, directing the operations in person. Meanwhile, he is also perfecting preparations at Chengkou in Ninghsia to resist the advance of the combined Shansi and Suiyuan forces which have been ordered by the Peiping Military Council to envelop his men from the rear. One cavalry Division has already arrived at Chengkuo to erect defence lines there, while two brigades infantry are building up defense works along the Ula river.

On the other hand the Shansi troops have received orders to advance on Ninghsia and their vanguards have already arrived at Linho on Ninghsia border. The Peiping Authorities plan to encircle the rebel forces and when this plan is fully carried out, the rebels would soon be starved out without necessitating any actual fighting.

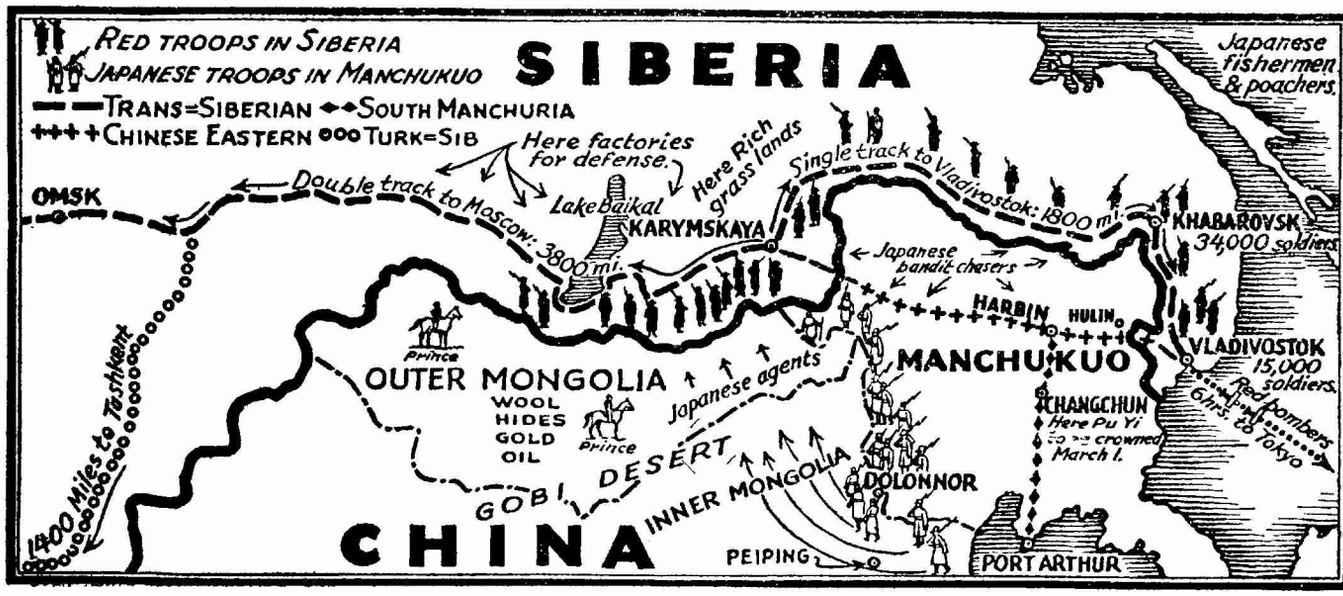
General Ho Ying-ching has sent a telegram to Nanking, reporting on the recent developments in Ninghsia. General Ho suggested that a punitve order against General Sun be issued immediately by the Government. Meanwhile, he has also wired to General Fu Chan-kuei to return to Peiping and abandon his effort to seek a pacific settlement in view of the war-like preparations on the part of General Sun.

According to the plan of the expedition against General Sun, a general offensive will be launched as soon as the main body of the Shansi-Suiyuan Allied Forces cross the Yellow Biver. Major fighting is expected to break out when the Shansi-Suiyuan troops advance to occupy Tengkow, 134 miles north of Ninghsia city. General Fu Tso-yi, Field-Commander of the expeditionary Army, has been ordered by General Ho Ying-ching to commence attack without delay.

General Yen Hsi-shan, Pacification Commissioner of Shansi, continues to maintain an indifferent attitude towards the Ninghsia situation in spite of the representations made by the Peiping authorities. When the Peiping Military Council first sent a delegate to Taiyuan to see him, he expressed himself as in favour of a peaceful settlement. But as all peaceful efforts have failed and the Peiping authorities have determined to resort to arms, General Yen suddenly returned to his native place on the pretext of illness. But at the same time he ordered a part of the Shansi and Suiyuan troops be mobilized to assist the Government forces in suppressing the rebels. General Yen has decided to keep himself aloof from the trouble, it is learned.

Soviets Prepare Huge Air Fleet While Japanese Munition Plants Work Overtime

Up until a short time ago Japanese Army and Navy Men talked (and often wrote) of almost nothing else but the inevitability of a Russo-Japanese War. Their militant effusions reached such a pitch last month that War Minister General Senjuro Hayashi moved to step in and soft-pedal it. In his first interview since his elevation to the Cabinet as successor to the General Araki, the War Minister kept a straight face while he told the *Associated Press*. "We are making no preparations for war with Russia.* We are out for peace. Our dispositions in Manchuria are merely aimed at fulfilling our treaty obligations to defend Manchukuo. The enthronement of Henry Pu Yi and the inauguration of an Empire in Manchuria will prove a stabilizing factor in the promotion of peace in the Orient.....The Japanese Army will not assist in any attempt to extend the territory of Manchukuo in any direction." The same day, however Japanese troops entered Hulin close to the Siberian border (see map), printed herewith Loudly General Hayashi's War Office insisted that they were only chasing bandits. Meanwhile the rest of the world became gravely concerned by the day-to-day increase of diplomatic tension between mightly patient Russia and aggressive Japan.



Map Showing Frontiers of China, Manchukuo and Siberia *From Time Magazine*

On returning to France from Russia recently, M. Herriot said hostilities between the Japanese and Russians had in fact already commenced. Thus M. Herriot cited the complaints of the Soviet manager of the Chinese Eastern Railway spanning Japan's puppet State of Manchukuo. The manager Comrade Rudy had counted up to 280 armed attacks by Manchukuoans on his Soviet railway guards before Manchukuo authorities clapped six Soviet officials of the Chinese Eastern into jail at Harbin (recently released). Benito Mussolini also expressed himself with such vigor on the same subject that the Japanese Embassy officially, but fruitlessly protested. "There is no doubt that Japan is going through a period of dynamic imperialism," wrote the dynamic Duce. "Two armies confront each other at the frontiers of Russia and Manchuria. The peril of war exists. This event does not interest only Russia and Japan. It also involves China and the United States and directly or indirectly England, France, Italy and Holland." Discussing the Far Eastern situation *Time* (N. Y. Feb. 12) said that though Russia could tolerate Japanese expansion in Manchuria, it cannot tolerate Japanese expansion into Outer Mongolia. This autonomous republic, a wild no-man's land of nomadic tribes under hereditary princes is under strict Soviet domination, a protective outpost for the Siberian border. Just north of that border runs the Trans-Siberian Railway, Russia's Asiatic life-line. Today Japanese troops have overstepped the Manchukuoan border by 30 miles into Inner Mongolia. Their most western garrison is at Dolonnor. If from this north and south military line Japan should suddenly swing its forces northwestward into Outer Mongolia (see arrows on map) strike through the Siberian border and cut the Trans-Siberian near Lake Baikal Russia would be dealt such a staggering blow that it would be forced to withdraw from the eastern half of Siberia. And that is precisely what neutral militarists believe to be Japan's grand strategy. Twentieth Century Japan fights first and declares war, if at all, afterwards. That is why Russia is in everlasting dread of a flank attack across the Siberian border, an attack which may fall anywhere anytime. Russia's prime defense is its ability to move up and down the Trans-Siberian. And that rickety road is at present in notoriously bad condition for a major military action. It can handle only a few thousand troops a day, provision only a small army on active service. But Russia is double tracking at breakneck speed and, while it does, 200,000 Red troops guard the border, from Lake Baikalto Vladivostok. Meanwhile, contemplated under the Second Five-Year plan, is another transcontinental line running from Archangel to the Sea of Okhotsk, as a military backstop in case Japan does cut the Trans-Siberian.

Army & Navy Air Commissar Clementry ("Klim") Voroshilov knows well enough that the Red Army, second largest (562,000) in the world though it be, is untried, inexperienced, and forced to fight Japan at the end of the Trans-Siberian 5,600 miles from Moscow, will be at an appalling disadvantage. But as Commissar for Air he is believed to feel that the Red Air Force (1000 planes) is Russia's joker, her super-trump card against Japan.

Japan's Peril from the Air

Flimsily built, most of Tokyo and every other Japanese city is so much pasteboard and matchwood ready to be kindled by incendiary bombs. Fire is the worst part of every Japanese earthquake. Not being able to count on earthquake, "Klim" Voroshilov has built up one of the great air armadas of the world. According to Britain's ablest writer on war books for civilians, Captain B. H. Liddell Hart. "In case of war with Japan Voroshilov...is said to be favoring the idea of conducting it purely by air action. If so he will have the credit of inaugurating the new era of warfare...Russia, which in the past World War provided the supreme example of the folly of mass, may be the first to free herself from this delusion."

According to Moscow correspondents "Klim" was picked because he is very likeable, completely unambitious and just a bit, stupid. Speech-making is a great part of every Red Army officer's job and "Klim" on the platform is a sort of General Johnson. Peasant-born and bred to the trade of a foundry workman, Russia's War Commissar spends much time inspecting and orating to collective farm and factories. In 1931 when trouble with Japan first loomed and again in 1933 "Klim" inspected not only the whole Soviet Far East frontier but the leading mines, smelters metallurgical plants and, on his trip, the colonies of ex-Red Soldiers now being established by Dictator Stalin's orders as the patriotic rallying points of luckless Russians who are being forced to colonize Red Far East open spaces as buffers to Japan. Like all popular leaders, War Man "Klim" pays frequent lip service to peace. "The toiling masses of the world," he likes to orate, "know that wars are prevented by the existence of the Soviet Union. Let the world know that the Red Army will never threaten anybody but will continue to watch events and to be where it should be when necessary. If some groups or countries want to test our strength we will show them. They try to provoke us but our

*But that did not change the fact that last month 96,000 Japanese youths from 17 to 25 were ordered into munitions plants to speed up armament production nominally for Manchukuo. Meanwhile extraordinarily heavy shipments of Chilean nitrates moved to Western Pacific Ports from the American continent.

nerves are strong!" In Moscow recently Commissar Voroshilov stirred the Communist party Congress to terrific applause when he delivered this pointed challenge to Japan, "It is now clear to all that Japan was the first nation to seek to issue from the Depression by the aid of war. She has become the greatest purchaser of war material and of war industrial supplies in the world market and is simultaneously carrying on the political preparation of the country for a more serious war than she waged in China. That is clear to the non-militarist eye. Japanese military writers, soldiers, publicists, teachers, manufacturers, politicians and public and state officials in the last two years have talked and written so much and so openly about the necessity of war with Russia, have so often discussed the details of the conquest of . . . our Trans-Baikal and even of all Siberia, that it would be strange if we did not appear to notice it or if we regarded our dear neighbor with as much confidence as before. . . Manchuria is progressively being transformed into a Japanese military base. . . the Far East is covered with clouds and it is there the storm may burst. . . . A war, if is forced upon us, will be a great and serious war. . . It will cost those who start it dearly . . . every inch of our Far Eastern land we wust hold at all costs and hold it we shall without doubt". Most observers, according to *Time*, believe that Japan will not be ready to go into what it considers an inevitable war until it completes its aerial defenses of Tokyo and other big cities against "Klim's" bombers flying from Vladivostok in six hours. Nor is Russia expected to be ready to resent by military action Japanese thrusts westward into Mongolia until the Trans-Siberian becomes a double-tracked Class A carrier from Karymakaya to Vladivostok.

Soviet Budget for 1934 Amount to Almost 50,000 Million Roubles

The budget for the Soviet Union for 1934 amounts to 48,879 million roubles, an increase of some 24 per cent over the results for 1933, which showed a total revenue of some 39,200 million roubles and expenditure of 36,000 millions, leaving a surplus of about 3,200 millions.

The estimated revenue for 1934, in thousands of roubles, is as follows:

I.	Income of Socialised Economy		41,125,210
II.	1. Resources of the Population		3,880,000
	(a) Loans	3,580,000	
	(b) Loans of Savings Banks	300,000	
	2. Taxation		2,646,000
III.	Other Income		1,228,176
	Total Income,		48,879,416

The principal revenue item in this year's budget will again be the turnover tax, which is estimated to yield more than 29,000 million roubles, as compared with 23,000 million roubles in 1933. Including profits from trading, the revenue from these two sources is estimated to amount this year to 35,000 million roubles.

Expenditure

The following table shows the prinicipal allocations on the expenditure side of the budget, in 1,000 roubles:

I.	Investments in National Economy	33,383,364
II.	Social and Cultural	3,018,867
III.	National Defence and Administration:	
	1. Commississariat fot Army and Navy	1,665,000
	2. Special Troops	130,000
	3. Administration, Social and Cultural Work, Etc.	1,078,295
	Total on National Defence and Administration.	2,873,295
IV.	Expenditure on State Loans	1,702,070
V.	Appropriations for Local Budgets	3,697,965
VI.	Advances to Financial Institutions	1,156,275
VII.	Other Expenditure:	
	1. Government Reserve Fund	1,369,800
	2. Other Funds	106,780
	Total Expenditure	47,308,416
	Government Reserves	1,571,000
	Grand Total	48,879,416

The expenditure in connection with the financing of national economy is estimated to amount to 33,383 million roubles, which is more than seventy per cent of the total expenditure, and an increase of thirty-four per cent over 1933. Such large investments in national economy should help to increase further the resources of the country.

The expenditure on social and cultural undertakings will show an increase over 1933 of 28.8 per cent. In addition to the amount assigned in the budget for social and cultural activities, a considerable proportion of the local budgets, as well as sums from the social insurance fund and other sources, are spent on educational and cultural requirements.

Soviets Approve 1934 Economic Plan for Russian Far East

The Soviet Far Eastern economic plan for 1934, approved by the plenum of the Executive Committee of the Far Eastern Region which recently closed, provides for the extensive construction of new mines, factories, and industrial plants. The budget fixes capital construction in the region for 1934 at 1,800 million roubles. An oil refinery and automobile rebuilding plant will start working this year at Habarovsk, a cement works at Spassk, a number of coal mines and a sugar plant at Nikolsk-Ussuriisk, two mills and two electric stations at Vladivostok and Nikolsk-Ussurisk, a shipyard for river vessels at Turajevsk, and some other enteprises.

Dr. W. W. Yen, Ambassador to Moscow, in an interview in Tientsin Mar. 7 said that the Soviet Union has no territorial ambitions in Sinkiang.

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Japanese Detachment Sets Fire to C.E.R. Timber Concession

Recent reports from Harbin stated that the dwellings and business premises of a Chinese Eastern Railway timber concession had been set on fire by a Japanese detachment under the pretext that it was part of the campaign against banditry. The Soviets report that was impossible the subdue the fire or save the concession, notwithstanding all efforts to do so. As a result of the fire, a number of buildings and also cut timber were burned down. According to preliminary data, the losses amount to several tens of thousands of gold roubles.

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French Writer Discusses Probability of War Between Russia and Japan

The *Chekiai* Agency's Paris correspondent says that French public opinion is exceedingly troubled by the declarations made by W. W. Yen, the Chinese Ambassador to Moscow, when he passed through Singapore, They were much commented upon in the French Press, and a remarkable article by Robert Poulaine appeared in the literary and very influential publication *La Revue de Paris*, asking whether a war between Russia and Japan is "possible, probable or certain," and giving his reasons for believing that it is not only possible, but very probable. The first of these reasons is the presence of Japan in Manchuria. In his view, the Japanese army and navy have not only become very strong morally and materially, but also politically, until the military caste has now become masters of the regime, as shown by the fact that General Araki has not only become the most popular man in Japan, after the Mikado, but also the real dictator of the country. From his own personal observations of Manchuria, M. Poulaine holds that Japan possesses the strongest army in the world, and a navy which, despite the London Agreements, rivals even the British. He goes on to say the endurance of the Japanese soldier is very remarkable.

Special reference is made in M. Poulaine's article to the mobilisation last August of the entire civilian population in the regions of Tokio and Yokohama for air defense maneuvers lasting three days and three nights, and at which 25,000 active young people of both sexes collected for the Government no less than ten million francs. The enthusiasm of the Japanese people for everything military, and their readiness to sacrifice themselves knows no bounds, this French witer said.

The very pessimistic views of Robert Poulaine would seem to be shared by the Government at Moscow, which appears more and more to be losing all hope of avoiding a conflict.

The Soviet Government has not desired and does not wish for any such conflict, but it has the impression that Japan will drive the U.S.S.R. to it, sooner or later. This is probably also one of the principal reasons for the change of policy of the Government at Moscow, which is now ready to sign ententes, pacts of non-aggression, and commercial agreements with the "bourgeois" governments.

Japanese Fishery Experimental Boat Captured By Soviets

According to a message reaching from Korea, a fisheries experimental boat, belonging to Hyogo Prefecture, which had set out towards off Maritime Province Coast on March 7, for the regular experimental work, was captured by Soviet authorities on March 10, at a point off Askold Island.

Chinese Eastern Railway Negotiations Resumed—Censorship Invoked

The negotiations for the sale of the Chinese Eastern Railway to Manchukuo were reopened in Tokyo March 12. Strict secrecy is to be observed particularly in regard to the question of the price to be paid for the Railway. The Ministry of Foreign Affairs has urgently requested the Ministry of Communications to exercise a strict censorship on press-messages sent abroad reporting on the progress of the negotiations.

Indians In China Condemn Pratap's Intriguing Activities With Japan

In an article in the *China Press* on March 11, Hollington K. Tong thoroughly bared the intriguing activities of the renegade Indian Rajah, Mahandra Pratap, with the Japanese Imperialists in the so-called Pan-Asiatic Movement, promoters of which recently held a conference at Dairen under Japanese auspices and direction. Although originally inspired with a high purpose, that is, Asia should be ruled by Asiatics, the Movement in its present form really aims at military domination of Asia by Japan. This made-in-Japan Pan-Asianism has aroused indignation of many peoples in the East and the Indians in China are particularly indignant with the treacherous activities of Pratap who, as the self-claimed representative of India and Rajah of the bogus Indian Provisional Government, humilitates Indian people by working for the Japanese warlords and utters such cringing and pro-Japanese statements as "we stand loyal to the Emperor of Japan."

The recent Pan-Asiatic Conference at Dairen in which Pratap played a leading role and the recent utterances of Pratap have provoked sharp reactions among the Indian communities in China. The Indian Youth League in Shanghai has come out in bitter opposition to the Movement. Indian residents in various parts of the country have held meetings, protesting against the machinations of Japan for hegemony over Asia. In a statement, Jara Singh, Chairman of the Indian Youth League, declared that in view of the fact that certain Indians were working hand in hand with and for Japanese imperialists against Chinese national aspirations, the League is prepared to take actions against the unrepresentative elements which have usurped the right to speak in the name of Young India. Local Indian leaders claim that the socalled New Asia Association in Shanghai is really a Japanese organization with head office at Tokyo, which is both financed and controlled by the Japanese purely for the purpose of conducting pro-Japanese propaganda among Indians and Chinese. Mr. Singh said that the very name of the organization suffices to disclose the relationship with Mahandra Pratap and his Japanese collaborators.

Described as "the false servant of conflicting loyalties" by local Indians, Pratap is accused of deciving his country-men for the last 15 years by his activities and particularly criticized for a handbill he recently circulated among both Chinese and Indians, calling for the formation of a powerful Asiatic Army to fight for Japan. The gist of the handbill is that China, Tibet, Mongolia and "Manchukuo" should accept Japanese political and economic domination and support her by man power and material resources, so as to ensure Japan's victory over the Soviets in the coming war and her domination over Asia. In order to make clear the position of the Indians in China and their fellow countrymen in India in this Pro-Japanese movement engineered by Pratap, The Indian Youth League recently passed a resolution, disclaiming any connection with the movement. After condemning Pratap for his treachery to China and Young India, the resolution declares that the Indians not only do not support Japanese militarium but lodge energetic protest against Japanese aggression on China.

Hu Han-min Urges Independence of South in Opposition to Nanking

According to a *Peiping Morning Post* dispatch from Canton March 8, political leaders in South China have bestirred themselves in devising ways and means for coping with the recent decision of Nanking to reorganize the provincial system in an attempt to preserve their present organization in Canton. For this purpose, Chow Lu, President of the Chungshan University and a leading Party leader in the South, went to Hongkong recently to confer with Hu Han-min. Mr. Chow has now returned to Canton from Hongkong with definite proposals from Mr. Hu, aiming at defeating the attempts of the Nanking Government in this respect. The proposals in question are :

1. That the South-west should telegraph to the Nanking Government demanding an explanation of the proposed reorganization.

2. If Nanking insists on having the provincial system reorganized and the two South-west organs abolished, the South-west should call a conference at Canton of all C. E. C. members sympathetic with Canton to decide what action to take.

3. When these C. E. C. members arrive at Canton, they should send a joint telegram to Hongkong, urging Mr. Hu to take up the control of administrative affairs in Canton.

4. Representatives be sent to the provinces to secure their support in the South-west independence movement.

5. When all these steps have been taken and are successful, an independent government shall be formed at Canton.

While the politicians are all in favour of the scheme, General Chen Chi-tang is decidedly against it. General Chen, in a telegram to Mr. Hu, declares that he could support any scheme formulated by Mr. Hu but the establishment of an independent government in Canton.

Wang Yang-chang, secretary of Hu Han-min, in an interview with the *Chao Jan Pao*, Hongkong, March 7, declared that Mr. Hu is definitely opposed to the proposed restopation of the "Tsungli" system in the Kuomintang. He said Mr. Hu's political ideas could never be influenced by any political changes and that Mr. Hu would not go to Nanking until the present regime has been overthrown. "It is not a question of Mr. Hu's co-operation with any political or military leader," said Mr. Wang, "but it is how a satisfactory arrangement can be made to save the Kuomintang from dictatorship." Speaking on behalf of Mr. Hu, Mr. Wang further declared that Wang Ching-wei should be blamed for breaking the League resolution of not recognizing Manchukuo. He said that although Mr. Wang did not go so far as to recognize the puppet government, nevertheless he must be held responsible for causing the Peiping Political Council to have informal negotiations with Manchukuo.

Commenting on the prospects of co-operation of Hu Han-min with the Nanking Government, the *Shun Pao* in its editorial on March 13 urged that Mr. Hu should change his attitude towards the Nanking Government leaders in the interests of the country and should never take advantage of his high standing in the Kuomintang to dictate to the Party. The paper said that Mr. Hu, from his past experiences, must realize that without the Party, he is nobody but a common person and that as a Party leader, he must necessarily subordinate his personal interest to that of the Party and the country. It is learned, the paper continued, Nanking is anxious for has co-operation and is considering sending another delegation to Hongkong to invite him to come to Nanking. If Mr. Hu has really changed his mind and desires to be of service to the Party, it is time for him to lend his co operation io Nanking. However, according to reports from the South, Mr. Hu has not yet made up his mind to leave Hongkong. He is also reported to have declared that he would not come to Nanking, until the Government has made arrangements for the Southwest to his complete satisfaction. This shows, the paper commented, that Mr. Hu has no sincerity to co operate with Nanking. In other words, he is still placing his own interests above those of the country and the Party. Finally, the article declared that China has reached a critical stage that all national and Party leaders must forget their personal grievances and work jointly for the salvation of the country.

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Heavy Fighting Rages in Sikong as Tibetans Push Up Advance

Fierce fighting has broken out between the Chinese garrison troops and the invading Tibetans at Tengko in Sikong, according to an urgent telegram from Gen. Liu Wen-hui, Commander of Chinese forces in Sikong, received at Nanking March 8. Gen. Liu stated that Tengko has been beseiged by an overwhelming Tibetan force and is in a critical conditiou. Upon receipt of the telegram, the Government has wired Gen. Liu Hsiang, Chairman of Szechuan, to rush renforcements to Sikong to check the advance of the Tibetans.

A later message from Chengtu March 12 reported that the city of Tengko fell for the second time into the hands of the Tibetans on March 11 The city was first occupied by the Tibetan troops about two weeks ago, but it was soon recovered by the Chinese garrison. The Chinese troops in Sikong now still holds 13 districts in the eastern paat of the province, but they are greatly outnumbered by the Tibetans and handicapped by lack of ammunition and food supplies.

Gen. Huang Mu-sung, Special Commissioner to Tibet, will shortly leave for Lhasa, Capital of Tibet He will be escorted by a regiment of picked troops from the Nanking Gendarmerie Forces. Gen. Huang had recently conferred with the Panchen Lama and President Wang Ching-wei on measures for the settle ment of the Tibetan situation.

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Sir Cadogan's Courtesy Call on Panchen Lama Lasts 80 Minutes

According to a *Reuter* message from Nanking March 8, Sir Alexander Cadogan, new British Minister to China, called at 10 o'clock that morning on the Panchen Lama, with whom he conversed for an hour and 20 minutes. The visit was said to be of purely courtesy nature and the Tibetan question was not discussed.

Minister Cadogan left Nanking on March 10 for Hankow aboard the British gunboat H. M. S. *Cookchafer*. He is expected to return to Nanking on March 18, when he will proceed to Peiping.

China Ratifies Silver Agreement, Makes Important Reservation

The Legislative Yuan, at a meeting at Nanking, March 9 approved the ratification of the London Silver Agreement with a important reservation, which states: "Since China is using a silver standard currency, if at any time gold, silver or commodity prices rise to such an extent as to become harmful to the well-being of the Chinese people's living and the nation's industries and finances, the Chinese Government will not be bound by the letters of the Silver Agreement and will be free to take whatever action the Chinese Government feels necessary."

Explaining the significance of the reservation, Dr. Ma Yin-chu, Chairman of the Economic Committee of the Legislative Yuan, stressed, in the first place, the intimate connection between the Silver Agreement and the United States' attempt to enhance the price of silver. Being a silver standard country, Dr. Ma pointed out, China would be principally affected by any rise in the value of silver.

In the third place, Dr. Ma pointed out that a deficiency in the media of exchange is likely to result from higher silver prices. As the balance of foreign trade is adverse to China, the amount which Chinese merchants have to pay in respect of imports will obviously be larger than what they can receive from foreign importers. In the long run, in order to settle this balance, foreign banks will have to draw silver specie from Chinese banks. With this depletion of the silver reserves in the vaults of Chinese banks, the latter would be compelled to reduce their note-issue. The resulting shortage in the media of exchange would lead to a further drop in commodity prices, to the detriment of China's agriculture, trade and industries.

Silver Export from Hunan to Be Licensed

A decision was reached by the Hunan Provincial Government during the week to place a restriction on the export of silver dollars from the province. A license must be obtained from the Provincial Department of Finance when silver exceeding the value of $500 is exported from the province. For every $1,000 exported, a license fee of $10 will be collected.

U.S. Coinage Committee Approves New Silver Bills

Two important silver bills were approved by the Coinage Committee of the House of Representatives March 10. One authorized the Treasury to pay 25 per cent above the market price for silver shipped to the United States in payment for exported agricultural commodities, while the other authorizes the purchase of 1,300,000,000 ounces of silver at market price.

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Compromise Bill on Silver Introduced in U. S. Senate

Senator Burton K. Wheeler introduced the so-called Compromise Bill in the Senate March 12 authorising the government to purchase fifty million ounces of silver monthly until a 16-1 ratio with gold is reached.

Special Committee to Study Chinese Monetary System

Interviewed at Nanking March 13, Wang Ching-wei, President of the Executive Yuan, intimated that the Government contemplated the establishment of a special committee for the study of the country's monetary system. He pointed out that there was no direct connection between the London Silver Agreement and the American attempt to enhance the price of silver.

A proposal to create a committee for the study of currency problems was submitted to a meeting of the Central Political March 14.

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Nanking University Professors Compile Treatise on Silver

To the many treatises on the subject of silver has been added an informative brochure, written by Messrs Andron B. Lewis and Chang Lu-luan on "Silver and the Chinese Price Level," published by the College of Agriculture and Forestry of the University of Nanking. The main theme of the treatise is to show the relation between the purchasing power of silver and the price level in China. The introduction says that data indicate: that declining prices in China are due primarily to the increasing purchasing power of silver, and that the purchasing power of silver is very likely to continue to increase. It is predicted that if the price level in China continues to decline, in consequence of a rising purchasing power of silver, economic distress will be intensified. The authors point out that various gold standard countries have been forced, in many instances, to abandon a fixed gold standard "to avoid the economic consequences of the rising purchasing power of gold," and from this it is argued that the experience of China will probably be similar to that of foreign countries. The authors express the opinion that the present is the best time for China to consider the problem of a modification in the silver standard before declining prices have done further damage to the economic life of the country. This opinion is based on the proposition that as long as China is on a fixed silver standard, declining prices cannot be avoided if silver continues to rise in purchasing power.

Turkey as the Latest Field for Japanese Penetration

The Soviet Government is expected to exert strong pressure at Angora to frustrate the alleged plans of Japanese business interests to bring about realization of Turkey's five-year plan.

Recent reports published in London asserted that Japan is making a supreme bid to capture Turkish orders and, with this end in view, has proposed a scheme far more attractive than any hitherto offered the former Ottoman Empire. It is stated that a syndicate composed of the great Mitsui combine, the N.Y K. and the Egypto-Japanese Trading Corporation, has offered to give the Turkish Government long-term credits for the purchase in Japan of all the machinery and plant required.

British Propose Five Spheres of Trade

With a view to breaking the present deadlock in the Anglo-Japanese textile talks in London, the Lancashire representatives handed a memorandum to the Japanese delegates March 8 suggesting that, for the purpose of the negotiations the markets of the world should be considered in five divisions, namely the British Empire, Australasia, the Japanese Empire, South America and other countries. Under this plan there would be a discussion of the British and Colonial markets as one division, parallel with a discussion of other areas.

The Anglo-Japanese textile conference is on the verge of collapse. The Japanese delegates in London have received instructions from the Japanese Cotton-Spinners Association in Osaka to break off negotiations with the British cotton delegation unless the latter's attitude in regard to the geographical scope of the conference is changed.

Japanese Cotton Spindleage Grows at Britain's Expense

The world's consumption of cotton for the half year ended January 31 amounted to 12,519,000 bales, an increase of 637,900, according to statistics compiled by the International Federation of Master Cotton Spinners and the Manufacturers Association in London, March 5. The British had 49,001,000 and the Japanese 8,209,000 spindles last August, as compared with 56,136,000 and 6,272,000, respectively, in 1928.

Japan-India Commercial Treaty Strikes Snags

The drafting committee for a new Japan-India commercial treaty is experiencing difficulties, according to a report which reached the Tokyo Foreign Office from Mr. Sawada, Chief Japanese Delegate at New Delhi, March 12. The Japanese say that the Indian Government is curbed by the British Government from giving full play to its ability, as the British Government is raising the question of the most-favored nation treatment against India. Thus it is the British attitude that will determine the fate of the treaty.

Japanese Trade Ship Visits Hongkong

The British view the arrival in Hongkong during the week, of a Japanese trade ship with a varied assortment of agricultural products, as further determination of the Japanese to intensively invade the Hongkong market. The question of trade penetration into Hongkong by Japanese interests was raised last week in the House of Commons.

Proposed Reducation of Taxes to Help Ammonia Sulphate Works

With regard to the proposed establishment of an ammonia sulphate chemical works, the Executive Yuan at Nanking March 6 approved the joint recommendations of the Ministries of Finance, Industry, Communications and Railways for exemption of taxes on salts of ammonia, which the factory will also manufacture, and the reduction of transportation charges. As regards the petition for the flotation of $5,500,000 debentures by the Company, it was decided to instruct the Ministry of Industry to first conduct an investigation into the amount of the paid-up shares and the liabilities of the Company.

Has the C. E. R. Been Sold?

A strong rumor was circulated in Harbin March 14 that the Chinese Eastern Railway has already been purchased by the Manchukuo Government for Yen 135,000,000. The secret negotiations at Tokyo seem to be progressing satisfactorily. There are also obvious signs that, if the Railway has not already been purchased, Government officials are of the opinion that some amicable solution will soon be reached.

Manchuria Still Seethes With Internal Unrest---Bandits Active Daily

(From the Review's Harbin Correspondent)

The difficulty of bandit extermination in Manchuria, in spite of its frequently announced completion, has often been referred to. When the Harbin Japanese Consulate-General recently announced that it had been considering relief measures for about 4,000 Korean refugees who had fled from their farms in various parts of Manchuria owing to bandit attacks, the *Japan Chronicle* (March 6) commented: "What must be the state of the country in the neighborhood of Harbin when four thousand farmers cannot be assured of any safety on their own land? The "feudal regime of the Changs" may be everything that we are told it was, but the farmers at least stayed on their own land while it lasted." Six Japanese militiaman belonging to an emigration camp along the Manchukuo border, were shot dead on February 21 by bandits. One of the most prominent bandits to defy the Japanese for a long period was Mei Chin-chen, deputy-chief of the Ching Shan bandit force which had been extremely active around Harbin, Hulan, and Lansi since last summer, whose capture in his hideout by a Japanese-Manchukuo force was reported Feb. 18. Among his exploits was to operate three sailing vessels on the Sungari with a large number of his followers, and attacking a number of merchant ships, carrying off money, goods, and hostages. He recently kidnapped two wealthy "Manchurians" living in Hulan and demanded Yen 45,000 ransom for each. Further details of recent bandit activities are given below.

PREMIER Cheng Hsiao-hsu of Manchukuo in his "historical" announcement preceding the "coronation" of Pu Yi as emperor of Manchukuo stated that it was, firstly, due to "the gradual pacification of the country," and, secondly, to meet "the earnest desire of the entire population of Manchuria," both of which arguments, in the light of glaring facts, are but perversions of truth. Leaving aside the question of the true wishes of the Manchurian population, about which there can be no second opinion, and which does not call for any lengthy deliberation, the facts clearly show that the country is not "pacified"—that it still seethes with internal strife. This situation impels me to continue the review of the struggle in Manchuria, of which the last part appeared in *The Review* for October 7, 1933.

No historian can disregard this struggle. Though of smal scale, and perhaps of declining force, the opposition of loyalists,—by which name I designate all those who with arms in hand fight the Japanese and their "puppets",—has been responsible for the fact that a good part of the Japanese Army has had, during these two years, its hands fully occupied in Manchuria. However the Japanese would like to belittle the activities of Manchurian volunteers and bandits, the Manchurian loyalists, waging "small war" against the invaders of their country, have greatly impeded the Japanese war plans—with their rear still seething with open revolt, no sane militarist can ever think of provoking "big war," say, against the Soviet Union, of which we have heard so much of late.

It seems to be almost incredible that the Japanese, supposed to know Manchuria and its people as tips of their fingers, have allowed themselves "to be marooned" in its plains and hills so much so that they have lost a precious opportunity of waging war on their communistic neighbor and defeating it. Should we continue this argument further, we would come to a paradoxical deduction that the Chinese volunteers and bandits have prevented, with their blood the breaking out of a "big war" in the Far East, being—at least partially—responsible for the casual peace still reigning in this part of the world. Thus, the meaning of the "small war" in Manchuria seems to be not in the fact that it liberated the country from its alien invaders, which, by the way, it had not a single grain of possibility to do, but in the fact that it allowed the Soviet Union to have a breathing spell of two precious years, during which the Soviet leaders —as true realistic politicians—have so augmented their might in Eastern Siberia as to be ready for the war, and even to take, if it cannot be avoided at all, the initiative.

As I have ventured to predict in preceding reviews of the internal strife in Manchuria, the volunteers and "bandits" have resorted to extensive guerilla warfare, which at times is difficult to differentiate from mere banditry. Especially widespread and persistent seem to be their activities in outlying districts, where the mountains and the woods afford excellent covers for hiding. This fact explains why the newspapers are full of frequent reports about the train smash-ups and other activities of the bandits, all of which have resulted in enormous toll of human life and property loss. For the period under review, that is, from October last to this moment, practically the whole of Manchuria has remained in a turbulent state, the warfare bursting here and there practically without any visible plan, and which renders any orderly recording impossible. Yet, in fairness to the loyalists, their exploits cannot be left unrecorded; however the task would seem difficult at first sight.

The Lower Sungari Region

In our last review, it was stated that the twenty-second Japanese *major* military operation, since their invasion of Manchuria in 1931, and aimed at clearing the district named from all anti-Manchukuo elements, was undertaken on March 3, 1933, and in October last it was still going on. A careful study of the progress of this campaign, as reported by the headquarters of the Kwantung Army, leads us to believe that it is still very far from attaining its objective —the complete subjugation of the Lower Sungari region. The district is still overrun by countless small bands of volunteers and "bandits," some of them armed with light machine-guns, and harassing the Japanese and Manchukuo troops by sudden attacks and waylayings. Being all mounted, they shun meeting the large bodies of the "government" troops; they disperse at their approach, but prey upon small batches of the Japanese or Manchukuo soldiers. During the month of October alone, the Japanese had to send out as many as 12 different expeditions from Sansin alone to outlying districts, each time returning with high sounding reports about the complete annihilation of the bandits.

Judging by the reports, in this district there are operating two Manchukuo brigades and one Japanese brigade, all these units having been broken up into different detachments, each one operating in its own district. Space is too limited to recount all the engagements they had with the "bandits," but, however, a mention must be made of the names of the "bandit" leaders, operating in this district, which follow: Cheng Kan-tang, Ching Shan, Kai Yang, Ta Hsing-yu, Li Hua-tang, Liang Sheng-show, Li Hue-tang, Nan Tien-fei, Ching Dian (reported to be killed in action).

The Ussuri Region

The region has proved to be especially difficult to pacify; since last fall, a good part of the Japanese and Manchukuo troops have been quite busy here with a result that the district seems to be still very far from being "pacified" entirely. Here, the loyalists had complete sway for over two years, converting the district into a sort of *imperium in imperio*, into which the Japanese have been sending, with varying successes, expedition after expedition, and the progress of all of which have been seriously impeded by the mountains and the complete absense of good roads.

Twenty-Third Drive

Commenced: October 10, 1933.

Ended: December 1, 1933.

Troops: The entire 10th Division of the Japanese Army, assisted by Manchukuo troops and police, all of unreported strength, under personal command of Lieut.-Gen. Hirose. Too numerous battles to recount. Opposed by Kao Yu-shan, Kou Ta-shie, Mao Tso-lin, Wu Ye-shan, Ten Shan, Won Chao-yan (the latter two were reported to have been killed). Altogether 710 bandits were reported to have been killed, and 2,000 rifles taken. The Japanese casualties were only 23 killed and wounded.

Twenty-Fourth Drive

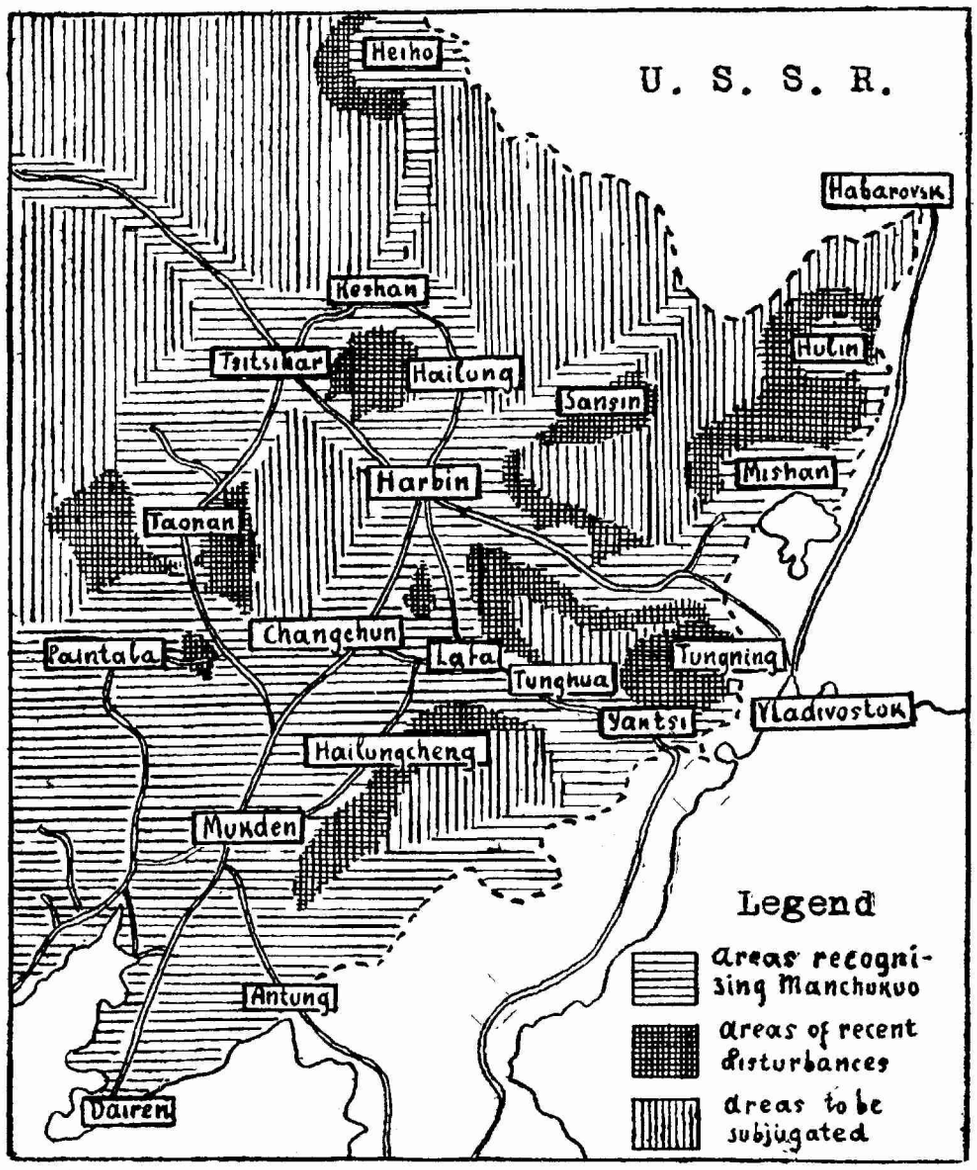
Objective: Clearing the Ussuri district from bandits, since the preceding drive has turned out to be totally ineffective.

Commenced: January 15, 1934, and seems to be still continuing.

Troops: A part of the 10th division, assisted by the Manchukuo troops and police, opposed by Kao Yu-shan and Shan Cheng. According to the latest reports, both these leaders fled to Soviet territory, followed by about 2,000 volunteers. Noted battles at Mulin and Hulin.

The C.E.R. Eastern Line

Though the district had seen, up to August last, four different Japanese expeditions of major scale, it still seethes with roving bandits and volunteers. An interesing sidelight to it represented the participation in the warfare, according to the Japanese reports, of the Korean volunteers (headed by Ryu Dsyiu-ho), who fought side by side with the Chinese volunteers, especially near the Korean-Soviet frontier.



The Map shows in most striking manner the areas of open revolt against the Japanese —Manchukuo armies during recent months. There are still vast areas to be conquered, which will take years to accomplish.

Twenty-Fifth Drive

Commenced : October 5, 1933.

Ended : about December 1, 1933.

Troops : A brigade of the Korean garrison, participated in by the Japanese and Manchukuo troops, stationed on the C.E.R. Battles at Laoheishan (near Tungning), near Shitouhedzu, near Yantsi. Clearing operations of this region are still being carried on, assisted by airplanes, some of which have been fired on by the Soviet frontier guards for the alleged crossing of the frontier.

The Kirin-Tunghua Railway Region

Up to October last this region had seen three major military operations, which were, however, entirely insufficient for clearing off the bandits, as seen from further military expeditions.

Twenty-Sixth Drive

Commenced : November 5, 1933.

Ended : In the middle of December, 1933.

Troops : A brigade commanded by Gen. Nakamura, of which the Ooseto, Miyakawa and Kobayashi detachments were especially active. The loyalists, commanded by Mao Tuan and Tsun Tuan, completely annihilated the Manchukuo troops at Hamao. An independent drive, headed by Nagasawa, was undertaken, in the middle of November, along the newly built Harbin-Lafangchen Railway, where it had pitched battles with the loyalists at Tungr wandzi and Heifoo. Since the bandits reappeared again, anothe expedition was soon sent out, this time made up mainly of the Manchukuo troops.

Twenty-Seventh Drive

Commenced : January 20, 1934, and still continues.

Troops : Two brigades of the Manchukuo troops under command of Gen. Yu Chi-san, opposed by Fang Nai, Ssu Tzu-yu, and Lao Chang-ching (along the Mukden - Hailungcheng Railway), Wang Teng-kuo, Wang Lien-yuan, and Feng Chun-shen (along the Kirin-Tunghua Railway). Numerous battles.

The Taonan Region

To be fair, this region has been probably the most quiet one since the famous stand of Gen. Ma Chang-shan on the Nonni River front late in 1931 ; however, lately it has become the field of activities for volunteers and "bandits," who, having reappeared again, started their depredations (they succeeded in looting several trains on the Ssupinghai-Taonan Railway). So, it was imperative to undertake clearing operations anew.

Twenty-Eighth Drive

Commenced : October 5, 1933.

Ended : December 1, 1933.

Troops : Japanese troops of unreported strength had pitched battles with the Nation Salvation Army units at Doyahai, Taiping-chuan, Tansi, and near Cheng-chiautun, in all of which 20 Japanese were reported to have been killed, including a captain. The bandits dispersed, but will probably reappear soon.

The Keshan Region

This region, made up of the C.E.R. Western Section, the Hulan-Hailung and the Tsitsihar-Keshan railways, and rightly regarded as a granary of North Manchuria, has been especially difficult to subjugate, and required repeated military expeditions. The most famous wrecks of the C.E.R., reported recently, took place here ; there were perpetrated by the loyalists operating in this region.

Twenty-Nineth Drive

Commenced : October 5, 1933.

Ended : November 15, 1933.

Troops : Different Japanese and Manchukuo units of unreported strength operated against the loyalists under command of Sun Chao-yuan, Cheng Tou-shan, Tung Yan, Shan Yu-pin, Bei Pa-tien, and Chi Cheng. There were several revolts among the Manchukuo troops, all of them joining the bandits. Noted battles at Mulan, Bayan, Baotsin, Yablonia Dunhsinchian. Several of these "bandit" leaders have surrendered and been incorporated, together with their bands, in the Manchukuo Amry.

Thirtieth Drive

Objective : Clearing the same district from the bandits, this time undertaken exclusively by the Japanese troops, probably a brigade strong, and commanded by Yama, Minami, Isiwarazima, Taniguchi.

Commenced : November 20, 1933.

Ended : December 15, 1933.

Opposed by So Ho, Pei Ho, Tsin Shan (commanding 1,000 bandits). Noted encounters near Hsiaohodzu, Anta, Baotsin. These two expeditions were seemingly totally ineffective, so a third one, composed of the Hiraga detachment and a Manchukuo brigade, was sent out on February 5, which is now in full swing, and will be dealt with in our next review.

To complete this account, which really makes most uninteresting reading, and which gives only a faint idea of the real situation in Manchuria, it should be stated that, unlike the past years, a certain degree of peace reigned in such areas as the Triangular Zone and the Liaohe region, both of which gave in 1932 and in the first part

of 1933 plenty of trouble to the Japanese Army. Also, it should be stated, in fairness to the efforts of the Japanese high command, that, in the period under review, order and peace were relatively maintained in all key cities and along the principal railways, although the same cannot be said about the outlying districts. The farther is the district, the harder it is to subjugate it, seems to be the right formula to describe the present situation in Manchuria.

The Japanese Army has got "marooned" in Manchuria; the subjugating of the country has, unexpectedly, taken too long a time; it has frustrated all their plans. Under cruelty, displayed by the Japanese during all these years, and especially the superiority complex, which they display in all their relations with the Chinese in Manchuria, and especially with the peasantry, have all worked up the native population to the extent that psychologically it is ready for the Soviet-Japanese war—its sympathies wholly lie with the Red Army. And no special Manchukuo patriotism will be displayed either by the Manchukuo Army, wholly composed of jobless Chinese and coverted bandits, and about whose true feelings there can be no second opinion. This state of things in Manchuria is well known to the astute politicians in Moscow; they know well that the path of history has created a *volte face*. and they are firm in believing that the next war will result in the collapse of one of the strongholds of capitalism and oligarchy—Japan.

Harbin, March 12, 1934.

Enraged Farmer "Bandits" Wipe Out Japanese Detachment

One high Japanese Army officer and several Koreans and Manchurians were killed in a pitched battle in Kirin Province March 10 when a band of enraged farmers attacked the Japanese military garrison at Ilankow. Colonel Asakichi Iizuka, Commander of the Japanese Army Detachment at Ilankow, was killed after the troops had repulsed the attack on the garrison and driven the attackers as far as Tulungshan, where they were finally dispersed.

The Korean and Manchurian farmers put up a strong fight and were repulsed by Japanese rifle fire after several hours of guerilla warfare. The Koreans and Manchus, numbering more than 100 and armed with smuggled guns and makeshift weapons of all sorts, made a surprise attack upon the garrison as a result of a dispute over the land issue.

The Iizuka Army Detachment in Ilankow is now making every effort to quell the riots before the trouble spreads to other sectors of Kirin Province. The detachment was taken by surprise when the armed men suddenly burst in upon them as they were making a change of the guard.

The Japanese telegrams in describing the incident, true to form, described the farmers as "bandits."

"Bandits" Along the C.E.R. Railway

All traffic for some distance from the western terminus of the Chinese Eastern Railway has had to be suspended on account of sabotage of "bandits." An official report states that a Japanese armored-car was patrolling the railway when it discovered considerable damage some 20 miles west of Pogranitchnaya. The track had been torn up in three places and two bridges had been destroyed by fire. In addition the telegraph wires along the railway had been cut at many points for a distance of three miles.

Europe Talks Peace, But Continues to Arm

The faint voice of Peace so much talked about at Geneva is almost smothered by the moves which are being make by practically every country in the world, and particularly in Europe, for more armaments. The Soviets are specializing in a huge air force, with Japan as the eventual object of attack, Britain is increasing its navy and subsidizing the giant Cunard ship; France is strengthening its borders along the German frontiers and increasing its air force, and so on.

Europe on the Brink of War Over Austrian Question

While statesmen called hasty conferences to settle the issue by diplomacy, thousands of troops of half a dozen nations were mobilizing March 12 along the Austrian frontiers to be ready for war. Italy has concentrated about 40,000 troops along the Austrian border, Czechoslovakia another 40,000 and Jugo-Slavia more than 20,000, in addition to the heavy concentration of troops and guards by Austria and the rapidly forming line of German Nazis. All are awaiting developments and are prepared for the worst. Lloyds Underwriters are quoting seven guineas per cent for insurance against a serious European war within one year and 40 guineas per cent against a similar occurrence within two years.

U. S. Determined to Have Good Navy

Secretary of the Navy Swanson, March 7 expressed his gratitude to Congress for enactment of the Vinson-Trammel Bill which will bring the U. S. Navy up to full treaty strength. "It shows that the country is determined to have an adequate and good Navy," Mr. Swanson said.

Japanese May Build More Warships to Meet U.S. "Big Navy" Bill

Admiral Mineo Ohsumi, Japanese Minister of the Navy, has intimated that Japan may be compelled to go beyond her already huge naval construction program and build additional warships to meet the American competition provided by the Vinson-Trammel "Big Navy" Bill as passed by the U.S. Congress. Admiral Ohsumi said Japan's Navy will be only 60 per cent of America's Navy after Japan has completed construction under the second replenishment program and when the United States has completed naval construction under the Vinson-Trammel Bill.

British Increase Naval Estimates

The House of Commons March 13 passed the Naval Estimates, which total £56,550,000, representing an increase of £2,980,000 as compared with last year.

Referring to the British Naval building program, the First Lord of the Admiralty said that the total cruiser tonnage to be laid down this year was 32,000 tons. This represented a portion of the 86,350 tons available under the London Naval Treaty for three years to 1936 inclusive, and was in accordance with the carefully considered Admiralty policy of replacement—to pursue a steady annual program of construction. He declared that neither technically, economically, politically nor pacifically could Britain accept the 10,000 ton capitaliship.

"Izvestia" Discusses British Armament Campaign

The organ of the Soviet Government, *Izvestia*, March 10 stated that the campaign conducted by Lord Rothermere and the military circles for the increase in British air armaments has already given practical results, as demonstrated by the demand for construction of new air squadrons, brought up by the Government before the Parliament. "Every imperialist state," says the newspaper, "naturally represents itself, as being at a disadvantage. It is sufficient in support of this thesis to mention the statements in the British press that the Soviet airforce is one of the reasons why Britain must increase her airforce."

Strong Defenses for Belgian Frontiers

Most extensive plans to safeguard Belgium's frontiers in case of attack are being pressed forward by the Minister of National Defence, M. Albert Deveze. Barracks for cyclist battalions are to be completed by August 1, from Bastogne to Vielsalm, behind the first line of a possible attack.

Singapore Garrison to Be Strengthened

A London telegram dated Mar. 7 stated that the British military garrison at Singapore will soon be strengthened by the addition of two brigades of heavy artillery.

U.S. Navy to Make Strategic Air Survey of Aleutian Islands

A Washington despatch March 11 stated that the United States navy will make an aerial survey of the Aleutian islands this summer. Rear-Admiral William Carleton Watts, commander of the mine forces in Hawaii, will be in charge of the party, which will probably include two planes, a repair ship and two mine sweepers. Strategic marine study and observing weather conditions will form part of the survey work.

French Program Includes New Cruiser, 1 Destroyer, 1 Submarine in 1934

The French Chamber Naval Committee March 8 completed its report on the 1934 slice of French naval constructions program, of which the execution must begin before December 31, 1934. The program for the year 1934 includes the beginning of construction on one cruiser of the *Dunkerque type*, one destroyer, one submarine of 1st class and one submarine of second class, involving a total tonnage of about 30,000 tons. The report emphasizes the necessity of passing the bill as soon as possibie,.

France is to launch a program for the reorganization and re-equipment of her defense forces at a cost equivalent to £27,000,000. Under the terms of the measure, the minister of war is authorized to spend over £14,000,000 for the completion of the system of frontier defenses in 1934-5.

Japanese Nominate Messrs. Funatsu and Okamoto for Council

At a joint meeting of Japanese public bodies in Shanghai March 10 in the Japanese Club it was decided to nominate Messrs. T. Funatsu and O. Okamoto for election as Japanese members of the Shanghai Municipal Council at the next poll. A committee of Japanese residents was formed to conduct an electioneering campaign on behalf of the candidates endorsed by the Japanese community. This committee will provide transportation and other facilities to Japanese voters on election day.

CHINESE NATIONAL RAILWAYS

SHANGHAI-PEIPING THROUGH EXPRESS.
(Connected with N.S.L. Nos. 301 & 302)

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
15.05	—	PUKOW	—	11.00
11.14	11.17	LINHUAIKWAN	15.16	15.18
10.19	10.39	PENGPU	15.53	16.13
8.09	8.12	NANHSUCHOW	18.20	18.23
6.00	6.20	HSUCHOWFU	20.12	20.32
4.13	4.28	LINCHENG	22.21	22.36
3.24	3.27	TENGHSIEN	23.32	23.35
1.42	2.02	YENCHOWFU	1.15	1.47
1.14	1.17	CHUFOU	2.14	2.17
23.10	23.30	TAIANFU	4.18	4.38
20.50	21.10	TSINANFU	7.00	7.30
19.25	19.33	YUCHENGHSIEN	8.43	8.53
17.40	17.55	TECHOW	10.17	10.32
15.48	15.56	POTOUCHEN	12.10	12.18
14.44	14.54	TSANCHOW	13.09	13.19
11.36	11.45	TIENTSIN (C)	16.35	16.50
11.02	11.27	TIENTSIN (E)	17.00	17.35
—	8.00	PEIPING	20.48	—

PEIPING-HANKOW RAILWAY.

14.05		PEIPING		22.00
13.27		CHANGSINTIEN		22.48
9.54		PAOTUNG		2.23
5.50		SHIHCHIACHWANG		6.28
2.19		SHUNTEH		10.01
19.27		SINSIANG		16.45
16.43		CHENGCHOW		19.26
13.59		HSUCHOW		22.08
12.16		YENCHENG		23.51
9.58		CHUMATIEN		2.34
6.10		SINYANG		6.01
3.36		KWANGSHUI		8.36
22.45		KIANG AN		13.15
22.30		HANKOW (Tachimen)		13.25

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
9.30	—	HSICHIMEN	—	16.48
8.06	8.16	NANKOW	18.07	18.17
—	—	CHINGLUNG-CHIAO	—	—
1.52	2.07	KALGAN	0.30	0.45
19.34	19.49	TATUNG	7.01	7.21
15.48	16.03	PINGTICHUEN	11.04	11.19
10.56	11.16	SUIYUAN	15.42	16.02
—	7.00	PAOTAO	19.58	—

LUNGHAI RAILWAY.

5.15	—	HSUCHOWFU	—	21.10
0.57	1.17	SHANKIUHSIEN	1.16	1.56
20.47	21.07	KAIFENG	6.20	7.00
18.40	19.00	CHENGCHOW	8.49	9.09
14.45	15.10	LOYANG E.	12.53	13.28
9.30	9.55	SHANCHOW	18.30	18.55
—	6.10	TUNGKWAN	22.15	—

KIAOTSI RAILWAY.

7.35	—	TSINGTAO	—	21.00
5.48	5.50	KIAOCHOW	22.46	22.48
5.06	5.16	KAOMI	23.19	23.30
3.26	3.41	FENGTZU	1.01	1.16
3.03	3.05	WEIHSIEN	1.36	1.39
1.36	1.38	TSINGCHOW	2.55	2.57
28.59	0.01	CHOUTSUN	4.32	4.35
—	22.00	TSINANFU	6.30	—

CHENGTAI RAILWAY.

19.42	—	SHIHCHIACHWANG	—	7.58
18.14	18.16	TSINGCHINGHSIEN	9.27	9.29
16.00	16.15	YANGCHUAN	11.47	12.01
14.48	14.50	SHOUYANGHSIEN	13.50	13.52
12.40	12.49	YUCHIHSIEN	15.25	15.35
—	12.08	TAIYUANFU	16.07	—

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Zku-Nkg Express R. Through	Express R.	STATIONS DOWN.		Express R.	Nkg-Zku Through Express R.
ZAHKOU	d.	9.20	18.00	SHANGHAI, N.	d.	9.15	15.15
HANGCHOW	d.	9.50	18.25	JESSFIELD	d.	9.33	15.32
CHANGAN	d.	10.41	19.24	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.56	SHANGHAI, S.	d.	9.25	—
KASHING	d.	11.52	20.39	SUNGKIANG	d.	10.33	16.20
KASHAI	d.	—	21.05	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	11.19	—
SUNGKIANG	d.	13.00	21.54	KASHING	d.	11.53	17.35
SHANGHAI, S.	a.	—	23.00	YEHZAH	d.	12.29	—
SICCAWEI	d.	—	—	CHANGAN	d.	13.02	18.40
JESSFIELD	d.	13.46	22.50	HANGCHOW	d.	13.57	19.35
SHANGHAI, N.	a.	14.00	23.05	ZAHKOU	a.	14.15	19.50

NANKING-SHANGHAI LINE.

STATIONS UP		EXP. R.	THRO. EXP. Zku-Nkg R.	Night EXP. R.S.	S'hai-Ppg Thro. Express (No. 302) R. S.	STATIONS DOWN		Thro. EXP. R. Nkg-Zku.	Ppg-S'hai Thro. (No. 301) EXP. R.	Night EXP. R. S.
SHANGHAI, N.	d.	8.00	15.00	23.00	24.00	NANKING	d.	8.00	17.25	23.00
NANSIANG	d.	—	—	23.37	—	CHINKIANG	d.	9.25	18.52	1.04
KUNSHAN	d.	9.05	16.05	—	—	TANYANG	d.	10.07	19.32	1.56
SOOCHOW	d.	9.50	16.52	1.16	2.06	CHANGCHOW	d.	11.01	20.32	3.11
WUSIH	d.	10.39	17.44	2.17	3.06	WUSIH	d.	11.52	21.24	4.15
CHANGCHOW	d.	11.44	18.39	3.19	4.17	SOOCHOW	d.	12.45	22.20	5.21
TANYANG	d.	12.32	19.34	4.22	5.20	KUNSHAN	d.	13.24	—	—
CHINKIANG	d.	13.16	20.20	5.13	6.11	NANSIANG	d.	—	—	7.04
NANKING	a.	14.30	21.35	7.00	7.45	SHANGHAI, N.	a.	14.20	23.55	7.30

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.
2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—
   - 1st class passenger ..... 80 kilogrammes (142 catties)
   - 2nd class passenger ..... 60 Kilogrammes (100.5 catties)
   - 3rd class passenger ..... 40 Kilogrammes (67 catties)

   Half of these quantities will be allowed on each child's half ticket of each class respectively.
3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.
4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

When Will China Be Able to Launch an Expedition Against Manchukuo

BY C. Y. W. MENG (孟 憲 彝)

HENRY PU YI, the last living ruler of the Celestial Empire, is possibly the only emperor throughout the whole history of China whose government was overthrown, and whose 300-year old dynasty was displaced, but nevertheless spared from the executioner's sword. The treatment accorded to him and his family by the revolutionists must therefore be considered as generous and humanitarian. So, if Henry Pu Yi were sensitive, rational, patriotic and national-minded enough, he should content himself with the present condition, and should live up to the words on the Agreement which he signed with the revolutionists. When he was "decoyed" by the Japanese to Manchuria to be the chief executive of the Japanese-created Manchukuo, the only proper course before him was to end himself, rather then being employed by the foreign aggressor to invade his own country. The enthronement on March 1, 1934, not only constitutes another violation (for the third time) of the Agreement, but also constitutes high treason against the Chinese Republic. The question that interests us is not so much the enthronement itself, for we already predicted that this was only a matter of time. What concerns us most is: What are the Japanese motives in placing Pu Yi on the throne? What are the Japanese going to do next? What will China do in the face of the serious situation? When will China launch an expedition against Manchukuo?

The Enthronement—Its Reasons

The forcible occupation of Manchuria, the creation of Manchukuo, the placing of Pu Yi as the chief executive of the new country, is, as we know, the Japanese plan for the invasion and conquest of China. But the placing of Pu Yi on the throne is the Japanese "advance" plan to conquer China. Having succeeded in the first stage of her conquest, and seeing that there is not much opposition either from the world or from China, Japan enters her second stage of conquest.

To us, there are many reasons and many advantages for the Japanese to do so. First: Japan realizes well that there are differences between the northern Chinese and southern Chinese. The former are mostly conservative, the latter are mostly progressive. The former still talk very much about the "glorious past" under the Manchu Regime when their fathers, grand-fathers, etc., were high officials; the latter discuss very much about many of the abstract ideas, such as "democracy," "constitutionalism," etc. The former are mostly descendants of the "officials" whose every conduct is that of "officialism" and whose ambition is to return to the old order of the day; the latter are mostly "westernized" people who talk about equality, freedom between the government and the governed. The former staged one "restoration movement" after another, the latter started one "revolution" after another in a attempts to overthrow the monarchical regime. The so called "Red Spear Society," "Big Sword Society," etc., which are be found in the North, represent typical institutons of "feudalistic" type of the past regime, now in existence. It has also to the admitted that it is not infrequent to hear even today the saying of the ignorant farmers and traders in the country districts, that we are in a chaotic condition because the "true dragon—the Son of Heaven—is not yet born," meaning that only when the Son of Heaven is born, then the country will have peace.

Realizing well the Chinese social condition, the psychological feeling of the people in the North, Japan thinks that the restoration will meet favorable response from the people in the north, though such may meet some opposition from the South. That shows that the Japanese must have made a very careful study of the Chinese social condition, and Japan believes that the enthronement will do much help to them in their attempt to conquer China.

Secondly, needless for us to point out that the Japanese ambition is also to take Mongolia away from China to form what they call the "Mon-Man (Mongolia-Manchuria) Kingdom." The Mongolian people are more conservative than the northern Chinese. Many of the Mongolians still have long hair hanging down the back, and still put on old-style clothes and boots, showing every sign of being Mongolians under the Manchu dynasty, but not Mongolians under the Republican regime. So Japan realizes that without putting Yu Pi, the living Manchu emperor, back on the throne, the Japanese could not induce these people to go over to the Manchukuo side. The enthronement indicates the Japanese determination and ambition to invade and take Mongolia away from China.

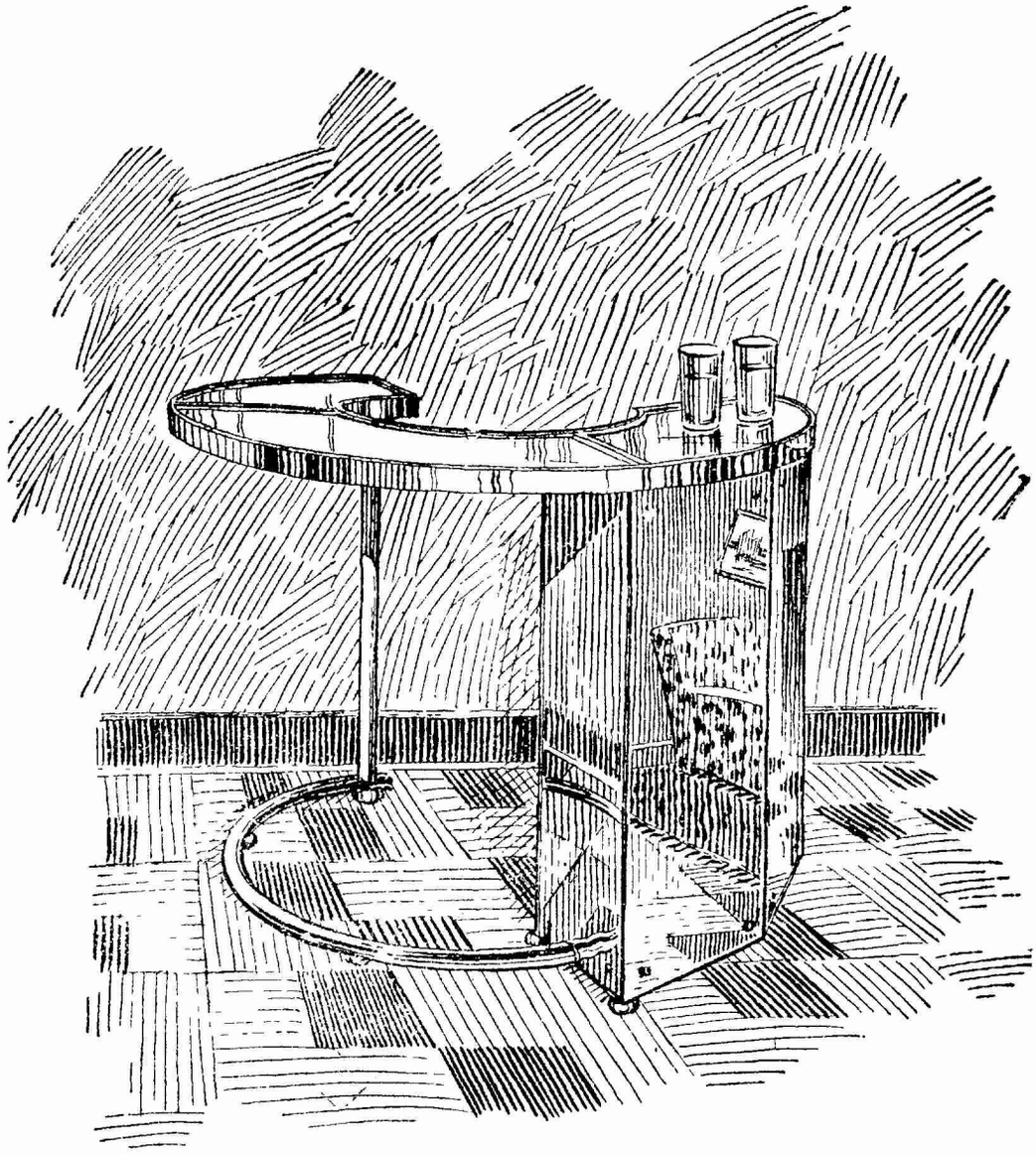
Since the establishment of Manchukuo, one of the Japanese policies is to cultivate "friendship" with different kinds of Chinese individually with a view to "winning over" the feeling of the people. So, many societies, institutions are being established, such as "Humanity Society," "Eastern Asiatic Alliance," "Greater Asiatic People Society," etc. The "sweet" words are that the Asiatics should join hands to work together for "mutual assistance and existence." But the members of these societies are mostly the members of feudalistic societies, mentioned above, the old type of officials and those who always oppose the revolutionary movement in the country. One of the benevolent acts after the occupation of the Chinese territories by the Japanese is to abolish the miscellaneous taxes and to give medical aid to the people to show the "kindness" of the Manchukuo government to the people.

Japanese Are Mistaken

But we believe the Japanese are mistaken. There are, it is admitted, some people in China today who think that the present regime is not even as good as the past dynasty, and that they prefer to have the administration of the past, and that some conservative people even go further to think about the restoration, etc. But it must be pointed out that although some Chinese may think and plot the restoration, it is a restoration started by the Chinese or Manchu themselves which would have their support. The present restoration, as every Chinese knows, was not started by the will of the Chinese nor the Manchu, but by the Japanese. The Japanese motive, as every Chinese knows, is to make Manchuria independent from China first, and then annex Manchuria next. The Chinese know well that the Japanese are using the same ways to annex Manchuria as they did with Korea. So the present restoration is by no means "attractive" enough and could hardly induce or win any support from even the most conservative northern Chinese, except those who are under duress. Japan must realize that though China is divided, and though there are some differences between the the new and old, the progressive and conservative, and northerners and southerners, yet the Chinese attitude towards the Japanese is one—that is, that of "hatred." No matter whether northerners or southerners, they hate the Japanese just the same. Even the Mongolians, quite conservative and backward people, also adopt the same attitude. The writer has had many interviews with the Mongolian people. These people all express their indignation against the Japanese, and their fear of the Japanese invasion of their Mongolia. So they came from thousands and thousands of miles away to Nanking, their sole purpose being to report to the Central Government about the imminent danger of the Mongolian situation, and to urge the Government to devise "ways" to protect them. That is to say, though under such awkward circumstances, difficult situation, strong tempetation, and "threats." these people stand firmly and refuse to yield to Might, and still turn their appeal to the Central Government for help. That is sufficient to show that China is united in its opposition against the Japanese; and that as long the "restoration" is engineered by foreign elements, such movement at once ceases to be powerful enough to induce even the extreme backward and conservative people and the old officials. It must, however, be pointed out that at the March enthronement ceremony, it was reported that some Mongolians did perform "kowtow" before the new emperor. But it is now clear that these Mongolians are of the Eastern Leagues which have already been lost to Japan, and these people are now under the Japanese control, and they have to do what is ordered.

Janan' Next Move—Jehol, Capital of Manchukuo

Thirdly, it must be pointed out that there are two schools of thought in Japan about the Manchurian situation. One contends that Japan should proceed to conquer China "first" and "at once," of which the late General Muto is the strong advocate. The other contends that Japan should proceed to inflict a severe blow to Russia, taking advantage of non-completion of the Second Five-Year In-



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dustrial Plan, of which the present War Minister in Tokyo is the strong advocate. But, so far we know the first school is the champion. That explains the Japanese attacks on Jehol and North China a year ago. Due to sudden change of the Russian attitude from conciliatory to aggressive, the Japanese deem it more advisable to make no trouble with the "Northern Bear" at present, but to proceed to consolidate themselves in the newly acquired territory, and go on to conquer China first. Since then, the Japanese policy towards Russia is one of conciliation. The Soviet employees of the C.E.R. were released; Japan made no bitter protest to Moscow when one Japanese military plane was brought down by Russian gunners, and when a Russian plane flew over the Korean boundary, etc. These events are serious enough to start a Russo-Japanese conflict, but the Tokyo foreign office assured and re-assured that there would be no Russo-Japanese war. But the Japanese policy towards China is more aggressive than ever before! The enthronement indicates that the gravity of the Manchurian situation is now being shifted from Northern Manchuria to Northern China, from Russo-Japanese conflict to another far more bitter Sino-Japanese conflict.

After the enthronement, what the Japanese are going to do is self-evident. The next Japanese move is to instigate the Mongolian people to join Manchukuo. More Japanese professional propagandists and agitators are to be rushed to Mongolia to perform their respective duties. The next move would be to remove the capital of Manchukuo from Changchun to Jehol to have closer contact with the Mongolian people and to facilitate the invasion of Northern China. The Japanese already announced that the present "palace" in Changchun is only "temporary." Where is the "permanent" palace for Pu Yi? Undoubtedly, it would be first in Jehol, and then, in Peiping—the latter being the Japanese final objective!

At the same time, Japan would look out and take steps to prevent China from being united. As soon as there are better prospects of peace in China, Japanese attack and bombardment of the Chinese defenceless cities in North would begin. Right after the suppression of the Fukien revolt, when it seemed as if the political situation in China was better, the Japanese suddenly increased their forces in the Eastern Border of Charhar. A series of "demands" was presented to the National Government, which called for the resignation of General Yu Hsueh-chung, Chairman of the Hopei Provincial Government, the suppression of the Kuomintang activities in Peiping and Hopei, etc. Though no much publicity is given to these Japanese "demands," we understand the situation in the North is pregnant with every possibility of danger. It is because Japan has changed her policy and has determined to yield to Russia and to conquer China first.

Enthronement—A "Nightmare"

When the enthronement was reported to Nanking, the latter, following the usual practice, issued one or two "statements" denouncing Pu Yi and branding the enthronement as a "nightmare," adding that China's policy towards the Manchurian situation remains unchanged, etc. There were only a few telegrams from the public to the Government urging the latter to launch an expedition against Manchukuo—something just contrary to what happened on May 4, 1914 when the whole nation rose up to oppose the signing of some "disgraceful" agreements with Japan. Such spirit is apparently not in evidence today! Turning to the civil warfare in different places throughout the whole country, it is still going on as usual. The Fukien revolt was scarcely over, when the Sun-Ma war for Ninghsia Province broke out. At present, not a single cash of the national revenues goes for the national defense. About 85% of the national revenues has gone for "military expenses" in connection with the so called "suppression campaigns" and other meaningless "civil wars." It is reported that the monthly "military expenses" call for no less than $24,000,000 a month—$800,000 per day! It is not necessary for us to say any more about the internal political situation, for the more we say, think, and discuss, the more painful our heart will feel. What we want to point out is that unless China puts her house in order within the shortest possible date, China will soon lose her existence, not to speak of the loss of many more territories in future. Why do we not find some ways of salvation out of the impasse?

How to Achieve the Salvation of China Today!

1. For the sake of achieving unity within, we plead and advise the leaders in the government to yield and to meet, as much as possible, the wishes of all factions in the country and to form a government on the very same basis as the formation of the British Government at the beginning of the Great War. If the resignation of one or two leaders could help to bring about internal unity, we demand that the loyal duty to the nation binds him (them) to do so. But if the resignation is conspicuously impossible and impractical, we demand that the opposition should be more statesmanlike and should not continue to demand resignations. Unless unity is achieved, and a "coalition government" is formed to tide over the present crisis—the foundation of national salvation—we believe, we are not in a position to "discuss" the situation, not to speak of devising "ways" to cope with the situation.

2. We may also suggest that General Chiang Kai-shek should be appointed by the National Government as the "Inspector-General" (巡閱使) to travel around the country to use his influence and to bring about the cessation of warfare in different places, such as Ninghsia, Sinkiang, Szechuen, etc. He may well pay a visit to the North and South to have a "face-to-face talk" with the northern and southern leaders to clarify all the "past misunderstandings," etc., and to urge them to unite to save this young Republic. To go there personally once is far better and far more useful than to send hundreds of his "personal representatives" there who really could accomplish nothing. Why should General Chiang remain in Kiangsi all the time? Why should his ability and usefulness be confined only to the Red suppression campaign in Kiangsi?

3. The war with the communists, and the suppression campaigns should be early concluded. It is physically impossible for any government under the sun to have a war within and a war without; the only alternative is to stop the war within and to face the war without. It is our opinion that it is not a humiliation to yield within and to come to some understanding and agreement with the communists, etc., in exchange for peace and unity within; but it is a great disgrace to yield to the foreign aggressors and to sign agreements with them while they kill us and occupy our territories!

4. The masses, on their part, should demonstrate a far better spirit of cooperation with the Government. They should take every step to stop the recurrence of civil war. They should not side with one faction against the other. They should not be used as tools by one faction against the other. But they should side only with the faction which has the nation at heart!

It is the substantive and realistic actions that will save the country, but not the "classical" joint-telegram, nor "philosophical" manifesto on "production and construction as a means to save the country, etc." Every layman knows this. It requires no further lectures by the leaders. So long as civil warfare goes on as usual, and the "suppression campaigns" are in full swing, which cost about 85% of the national revenues, we for one do not see how we can go on with the production and construction? Under the present situation, there is one and only one way out for China—that is that China should take advantage of the present critical situation to effect national unification, to present a united front against the foreign aggression—but not to drop entirely the campaign against the foreign aggression and devote ourselves to the internal suppression campaigns; and that this is not the time for one leader to plan to put down the other, but it is the time for them to work together and form a coalition government to tide over the present crisis. In other words, we should take the Japanese aggression in China as a blessing in disguise in causing a national unification.

Nanking, March 10, 1934.

Chiang Kai-shek and the Young Marshal in Nanchang Planning Anti-Red Campaign

(From the Review's Correspondent at Hankow)

Marshal Chang Hsueh-liang is in Nanchang conferring with Generalissimo Chiang Kai-shek about matters of the highest importance politically and with regard to the immediate campaign against the enemies of the Nanking regime.

The mood of Hankow is one of expectancy. Ever since the arrival in port of the Young Marshal there has been a distinct feeling abroad that something was going to happen. That the coming of the former Manchurian warlord to this center was merely accidental, no one thought for a moment. Apparently he has thrown in his lot with General Chiang Kai-shek for better or for worse. No sooner had he established his headquarters in Wuhan and attended to the necessary courtesy calls than he hastens to answer the call of his chief at Nanchang. Much is expected from the conference now in session at the generalissimo's headquarters. With the superior equipment of the government troops and the vast improvement of the lines of communications in Kiangsi province, including the building of a huge system of motor roads, of some added miles of railway, and the establishment of airports and airfields at all strategic places, the campaign against the Reds in Kiangsi in the next few months promises to be on a huge scale and with every prospect of driving them out of this strategic province.

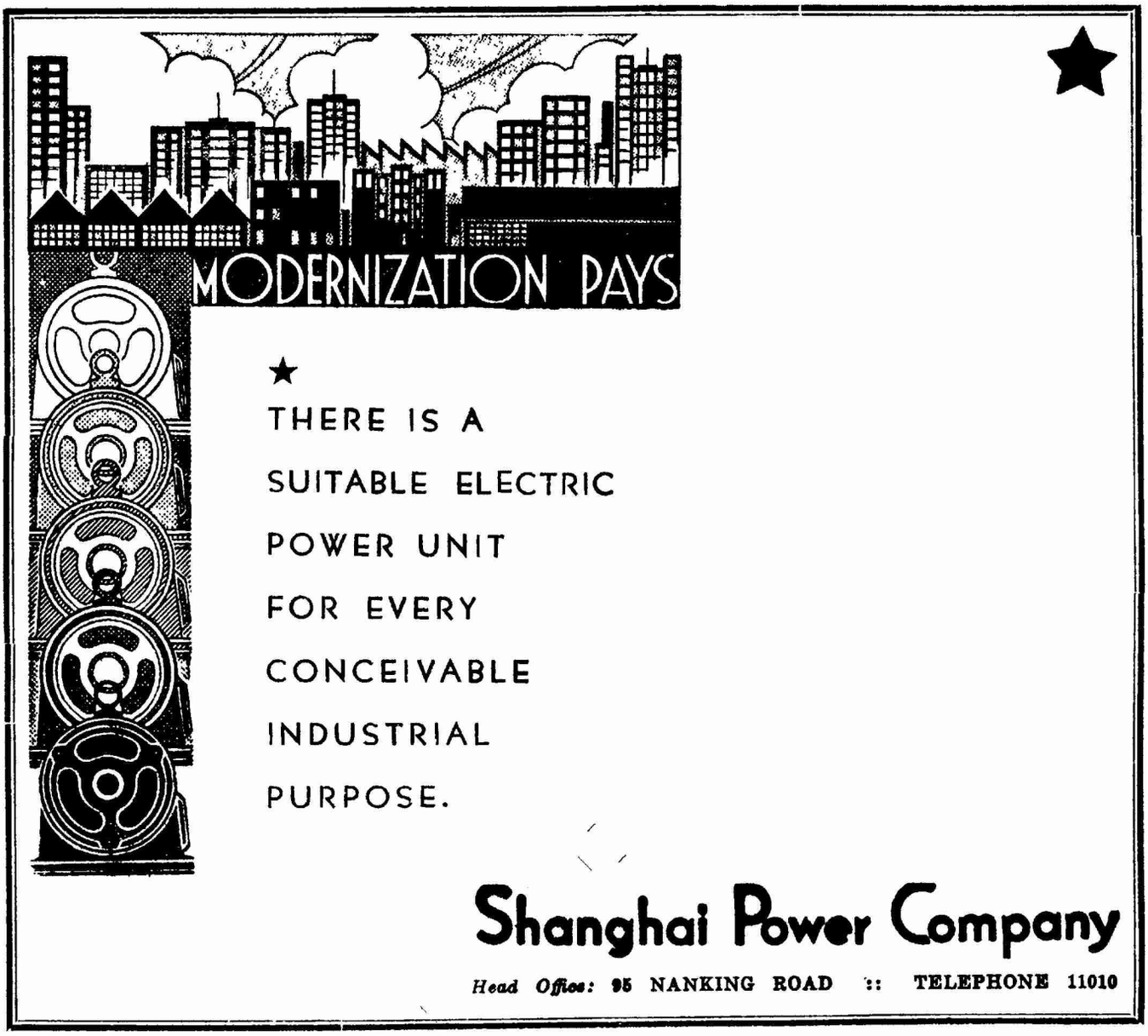
Chang's Provisional Headquarters in Hankow

Before leaving for Nanchang, the Young Marshal decided to establish provisional headquarters in Hankow. To assist him as Vice-Commander-in-Chief of the Bandit Suppression Forces in Honan, Hupeh, and Anhui Provinces are appointed, General Yung Cheng as Chief of the Administration Office, General Shen Tsou-tou as Chief of Staff, and General Tong Kuo-cheng as Chief Adjutant.

Marshal Makes First Speech to Crowd of 2000

On the 5th of March the Young Marshal addressed a huge throng of people at the regular weekly memorial service in his field headquarters in Wuchang. In his address he emphasized the need of conscientious work for the common weal and scored the recent tendency of the younger generation in China to give way to restlessness and disappointment.

Hankow, March 2, 1934.



Japanese and French Reply to Chinese Protest in Korean Case

With reference to the controversy which has arisen over the arrest by the French police in the French Concession at Shanghai of one Kim Chi, who, though a Korean by birth, has been naturalized as a Chinese subject, it is understood that the Ministry of Foreign Affairs has received replies to its protests from both the Japanese and French Authorities. Mr. Kim was arrested some time ago by the French Commission authorities and delivered to the Japanese Consular authorities at Shanghai. He has since been under detention by the Japanese. The Japanese reply contends that according to Japanese law, a Korean can not be naturalized in any foreign country and therefore Mr. Kim remains a Korean, that is, a Japanese subject, in the eyes of Japanese law. The French reply claims that at the time of the arrest, the French authorities were ignorant of the fact that Mr. Kim is a naturalized Chinese subject. It is understood that the Ministry of Foreign Affairs will make further representations in this connection.

Chinese Maritime Customs to Establish Outposts Along Sea Coast

With a view to preventing smuggling, the Chinese Maritime Customs has decided to establish a number of outposts along the sea coast. In North China the outposts will be established at Chinwangtao, Miaotao, Weihaiwei and Shihtao to prevent smuggling from Korea and Manchuria, while in Fukien such outposts will be established at Tungshan and Kwengyingao to prevent smuggling from Formosa. Orders have already been issued by the Chinese Maritime Customs to the authorities concerned to have such outposts established without further delay.

Report of Closer Economic Cooperation Between China and Japan Is Denied

A report from Tokyo last week that officials of the Chinese Legation in Tokyo had been exchanging views with Kenji Kodama, President of the Yokohama Specie Bank Seijiro Miyajima, President of the Nisshin Spinning Company, and other Japanese business leaders with a view to evolving an economic rapprochement between China and Japan, turns out to have been an overstatement. Officials of the Chinese Legation declared that their meeting with Messrs. Kodama, Miyajima and other Japanese business leaders were merely an exchange of social courtesies. They further stated that any negotiations for closer economic co-operation between the two countries would have to be carried on by the Nanking authorities.

Wang Ching-wei Denies He Discussed Sino-Japanese Issues with Ariyoshi

President Wang Ching-wei, concurrently Minister of Foreign Affairs, in an interview in Nanking March 7 emphatically denied press reports that during his recent meeting with A. Ariyoshi, the Japanese Minister, questions relating to the settlement of various outstanding Sino-Japanese issues were discussed.

Dr. Wang Shih-shieh Urges Sino-British Friendship

Sino-British friendship as a factor in promoting closer cultural and commercial relations between the East and the West was stressed by Dr. Wang Shih-chieh, Minister of Education, in the course of a speech delivered at a banquet in honor of Sir Alexander Cadogan, the new British Minister, given by the Sino-British Cultural Association and the British Returned Students' Association at Nanking March 7.

Official Nanking Statement on Manchurian Situation

An official statement vis-a-vis the Manchurian situation was issued by the National Government, March 13. *The following is a free translation :*

Ever since the outbreak of the Manchurian crisis on September 18, 1931, the National Governmnt, in view of the gravity of the matter, has realized that it was not comparable to an ordinary international incident nor one which could be dealt with through the ordinary diplomatic procedure. The case was accordingly submitted to the League of Nations.

After strenuous efforts, the Government succeeded in obtaining the League resolution of March 11, 1932, affirming the territorial integrity and political independence of China; and the resolutions of February 24 and June 7, 1933, for the non-recognition of the puppet state. The responsibility in the matter has thus been completely clarified. It is gratifying to say that under whatever form it might masquerade, the puppet state has never been accepted as a member of the family of nations.

With regard to the military aspect of the matter, although the Government has not been able to indicate the cause of right and recover the lost territories by force of arms, it has not flinched in the face of aggression. During the hostilities both at Shanghai and Woosung and at Kupeikow, our forces gallantly pit themselves against the deadly implements of modern warfare, and in spite of mounting casualties, their courage did not waver.

These are concrete facts regarding the diplomatic and military aspects of the matter and indicate also the settled and unchangeable policy of the Government.

Lately, the puppet state has been changed into a monarchy Filled with righteous indignation, the public has petitioned for the launching of a punitive expedition.

The Government has, however, consistently regarded this puppet organization as devoid of any independent personality and therefore incapable of being the object of a punitive expedition. Nevertheless, judging from his traitorous activities, it goes without saying that the puppet leader is liable to punishment for crimes endangering the state. Other miscreants who have lent their support to the puppet organization or are engaged in secret subversive activities if apprehended and arrested, will undoubtedly be prosecuted and punished without leniency by the Government in accordance with the Law governing Punishment of Crimes Endangering the State and the Regulations governing the Punishment of Bandits.

In a word, the country is in a most critical state and the chances of its survival are, as it were, hanging upon a slender hair. All our compatriots should therefore be alive to the responsibility which devolves upon every individual citizen and should strive, in the spirit of sincere union and with patience and perseverance, for the overcoming of the national crisis and the preservation of the unity and integrity of the country.

⁂

Wang Ching-wei Explains Stand on Manchukuo

Wang Ching-wei March 8 sent a telegram to General Chen Chi-tang and other leaders in the South-west in reply to the circular wire from the South denouncing the enthronement of Henry Pu Yi. In his reply Mr. Wang pointed out that from the very beginning the Central Government regarded Manchuria as being occupied by the Japanese and never intended to recognize the puppet state. The Government holds that when once the state of military occupation ends, all organizations in that land will be abolished and conditions there will be restored to normal. So no matter what kind of government organization the puppet state adopts, it does not represent the opinion of the people. Continuing, Mr. Wang asks the South not to make any statement to the foreign Powers as it would betray the lack of unification among the Chinese people. Mr. Wang declared that it would be perfectly right for them to bring up the matter to the attention of their countrymen, but it would do harm to the country if they take any action beyond that limit.

⁂

Official German Denial of Manchukuo Recognition

The Ministry of Foreign Affairs at Nanking last week received a telegram from the German Legation denying the rumors current recently that Germany contemplates recognition of the so-ccIled "Manchukuo." The Ministry has also received despatches from various Chinese Legations abroad to the effect that although Manchukuo recently addressed notes to various States asking for formal recognition, the Powers are adhering to their considered policy that Manchuria is now under military occupation by a foreign Power and that the "Manchukuo" government is nothing but a puppet. No departure from the policy of non-recognition is contemplate by any of the Powers, according to the despatches.

Japanese Troops in Luantung Hold Maneuvers

The Japanese troops in the Luantang districts are preparing to hold their regular maneuvers about the middle of this month. The region to be covered by the military display extends from Luanchow in the east to Ningho in the west and will be participated in by both the army and air forces. The Japanese authorities have approached the Peiping-Mukden Railway Administration for special trains for the transportation of their troops.

All the Japanese troops stationed between Tientsin and Shanhaikuan are participating. The war game is being staged at points along the Great Wall and the troops then move down to the Luantung districts of Luanchow, Funing, Linyu and Ningho. Night at tacks and sham air battles will are included in the program.

⁂

Japan's "Open Door" Means Monopoly for Japanese

American and British firms in "Manchukuo" are becoming very dissatisfied with Japan's policy there, Harry T. Greenwall, special correspondent in Paris of the *London Daily Express*, in an interview on his arrival here last week said. "The open-door policy in Manchukuo amounts to an open-door policy for Japan," continued Mr. Greenwall. "The Japanese are maneuvering to obtain a monopoly on the tobacco, oil and other industries." According to the journalist, Great Britain will not recognize "Manchukuo," even though Pu Yi sent an autographed picture to King George. Such recognition would involve not only Great Britain but all other major powers and it is quite unlikely that any of these powers would act independently, he said.

Foreign Merchants in Japan Urge Recognition of Manchukuo

Rengo states that it was the consensus of opinion voiced by members of the Foreigners' Chambers of Commerce in Osaka and Kobe, the principal industrial centres of Japan, at a general meeting held in Kobe March 7, that Manchukuo should be officially recognized as quickly as possible.

America Not to Recognize Manchukuo

The American Consulate in Nanking March 7 received a telegram from the Washington State Department officially denying the rumors that the United States was considering extending recognition to Manchukuo.

China Not to Recognize Puppet Regime

The Central Political Council March 7 adopted the recommendations submitted by the Legislative Yuan in connection with Pu Yi's assumption of the imperial title. They reaffirm the Chinese attitude not to recognise the puppet regime.

Soviet Plane Forced Down in Kirin Province

According to an official announcement made by the Japanese War Office March 14, a Soviet light bomber manned by two officers, made a forced landing in the vicinity of Lake Hsiao Hsingkai in Mishan, Kirin, on March 11.

Prisoners Amnestied in Harbin

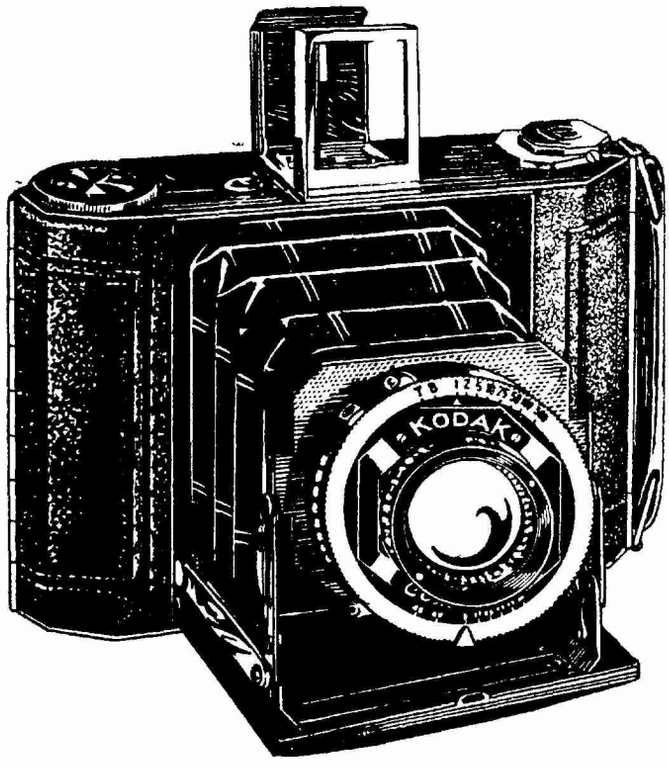
Almost 10,000 "Manchu" and Russian prisoners in the Harbin prison have been set free, in accordance with the Imperial Rescript for amnesty which was proclaimed on the occasion of the Pu Yi enthronement. They were given a dollar each upon leaving the prison.

S. M. R. Subsidiary Enterprises Not to Be Dropped Before End of Year

Investigations in regard to preparations for the proposed release of its subsidary enterprises by the South Manchuria Railway Company, conducted at present by Chief Auditor Yagi and his staff, are expected to be completed by the end of next June. It is believed however that formal negotiations among shareholders and officials of the company will not take place until the end of this year.

Baron Okura Says Present Manchuria Policy Is Mistaken

In the Budget Committee of the House of Peers Feb. 27 Baron Kinmochi Okura (Koseikai) asked who in Government circles is chiefly transacting matters relating to Manchuria; whether the Government does not feel the necessity of laying down a new policy towards Manchukuo; and whether it is not necessary to conclude a new definite treaty with that country. Admiral Saito (Premier) replied that the Cabinet has the settled policy of aiding Manchukuo, and this policy is being pursued through the Japanese Ambassador to Manchukuo and the Commander of the Japanese Garrison in Kwantung. At home there is close cooperation between the Department concerned. At present, it is of the first necessity to maintain peace and order in Manchuria, and here the special service department of the Kwantung Garrison is serving a useful purpose in its peculiar sphere of activity. At the instance of Baron Okura, the Committee then went into secret session, in which the Baron pointed out, according to the *Asahi*, the mistake of the present policy towards Manchukuo, emphasized the deleterious effects which, he said, the action of the Japanese military authorities in Manchuria is producing on the relations of Japan and Manchu-



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kuo, and urged the necessity of laying down a new and stable policy towards that country.

Manchukuo Army to Be Increased to 110,000 Men

The Manchukuo Government is planning to reorganize the National Army. The new plan provides a total number of troops, after completion of the reorganization by July 1, of 110,000 men.

Each Manchurian province, with the exception of Hsingan, will be guarded by an army division consisting of four or five brigades. Each division will have independent garrison headquarters.

Soviet-Manchukuo Parleys to Define Border

The Manchukuo Government is expected extend a formal proposal to Mocow that a conference should be called to name a Frontier Commission for the purpose of definitely establishing the frontier line. The Manchukuo Government desires to hold the conference either in Harbin or Tokyo during early April. M. Slavutsky, is willing to enter into such a conference now that the six Soviet railroad officials have been released from prison in Harbin.

Manchukuo to Alter All School Books

With the object of fostering "national sentiment" and loyalty to the new Emperor among the younger generation, the Department of Education of Manchukuo is planning to revise all the text books. Photographs of Emperor Pu Yi will be distributed among all the schools of the country and each morning a flag-raising ceremony and singing of the national anthem will be carried out in the schools.

Sir Reginald Johnston Writes Book in Defense of Manchukuo

Sir Reginald Johnston, one-time governor of the Weihaiwei territory and later tutor to Pu Yi, has issued a book entitled, "Twilight in the Forbidden City." Sir Reginald sets out to prove that the Manchurian independence movement, which culminated with the enthronement of his former pupil, was not a Japanese invention but purely a Chinese and Manchu project dating back as far as 1923 when Marshal Chang Tso-lin tried to get himself installed as Emperor of Manchuria. The book covers the five years during which Sir Reginald was tutor to the now Emperor Kang Teh. In it the author declares that he learned from Marshal Chang Tso-lin himself that the Manchus could have refused to abdicate in 1912 merely by transferring the throne to Manchuria.

Manchukuo Frontier Police Still at Nantienmen

Yin Ju-keng, Administrative Inspector for the Miyun-Kihsien area, an returning from Tientsin March 9 confirmed the report that the Manchukuo frontier police at Nantienmen have not yet been withdrawn. He said he had instructed Hoh Chih, director of the Kupeikou office of his bureau, to take the matter up with Colonel Matsui, Director of the Japanese Military Mission to Chengteh, and press for their immediate withdrawal.

Manchukuo to Convey Thanks to Japanese Emperor

Cheng Hsiao-hsu, Prime Minister, accompanied by K. Sakatani, Vice-Chief of the General Affairs Board of the State Council, will leave Changchun for Japan March 21. The announced purpose of the trip is thank the Japanese Emperor for the assistance given to the Manchukuo Government and people.

Lieut.-Gen. Hiszao Nishio, newly appointed Chief of Staff to the Kwantung Army formally took over his new duties at Changchun March 14.

Manchukuo Is Training Mongol Forces

According to a special despatch from Changchun the Manchukuo Government has reorganized the garrison forces at Changchun and has renamed them the Imperial Guards of the "Emperor." Apart from the original Manchukuo forces the puppet government in now organizing a Mongolian Army in Heilungkiang. For the purpose of training officers for the new army a military academy has been established at Tsitsihar to which only Mongols are admitted. At present a small army of 2,000 Mongols has already been organized and the Manchukuo authorities intend to expand this into two division with Mongols as commanders. These Mongols will be used in the future invasion of Inner Mongolia, it is stated.

Newchwang Port Expansion Work to Be Continued

The Manchukuo Government has decided to commence the work for the expansion of Newchwang Port, soon after the breaking of ice on the Liao River. The Newchwang Customs is planning expansion work at said port.

Bill Against Terrorism Passed in India

The Bengal Legislative Council March 10, by 61 votes to 16, passed the Criminal Law amendment Bill. It is designed to strengthen the hand of the Government in fighting terrorism.

Rationalization of Silkworm Eggs in Kiangsu

BY PAUL K. WHANG (汪仲芳)

THE Kiangsu Provincial Government must be congratulated upon their initiative in deciding to introduce a form of rationalization over the production and distribution of silkworm eggs into Kiangsu province. A Committee for the Improvement of Sericulture has been recently formed for the purpose of rehabilitating the silk industry, and at its first meeting, the following program for the rationalization of silkworm eggs was formulated and adopted.

(1) All the egg-sheets produced by silkworm egg-producing stations in Kiangsu province shall be controlled and regulated by the provincial government, and without the government permission no egg-sheets shall be marketed to other provinces.

(2) The government shall buy off egg-sheets from silkworm egg-producing stations at $0.80 per sheet. Half of the price shall be paid by the government to the silkworm egg-producing stations at the time of signing the purchasing contracts, while the other half shall be paid when the sheets are delivered.

(3) The city magistrates shall instruct the district chiefs to investigate and ascertain the approximate number of egg-sheets required by cocoon producers in each district and to submit the applications in due course. (For the Spring crop, the applications must be handed in on or before January 30, and for the Autumn crop, on or before the June 30.

(4) The government shall sell the egg-sheets to the cocoon producers at $0.40 per sheet. The district chiefs, prior to the requisition of egg-sheets, shall collect the purchase money from the cocoon-producers and remit to the Committee through the city magistrates. The Committee, in accordance with the amount of money received, shall apportion the egg-sheets and send them to the district chiefs to be distributed among the cocoon-producers also through the hands of city magistrates. The purchase money for the Spring egg-sheets must be handed in on or before March 30, while that of theAutumn variety, on or before the July 20. No requisition shall be considered after the time limit. The total number requisitioned must not exceed that originally applied.

(5) The Committee shall give to district chiefs an allowance amounting to 5% of the total cost of egg-sheets transacted through their respective hands.

(6) The above program shall become effective from the Autumn of this year.

The above program is on all fours with my suggrestion embodied in an article entitled, "Rationalization of China's Silk Industry," published in the *Review* on January 6, this year. In that article, I suggested that the government should exercise a close supervision over the government and private egg-producing stations, buy off their egg-sheets and resell them to the cocoon-producers at, say, two-thirds of the purchase price; and that the government should recover the difference ot the purchase and selling prices through the imposition of additional tax on cocoons.

Advantages of the Program

There are many advantages to be said in favor of this program. First of all, by placing the egg-producing stations under government control, the chance of deceiving the cocoon producers with adulterated egg-sheets by unscrupulous egg-sheet producers will be reduced to a minimum. In the past, a few private egg-producing stations, taking advantage of the popularity created for disease-free egg-sheets, have produced adulterated egg-sheets and sold them at a high price to the cocoon producers under the name of disease-free egg sheets. As a result of this deplorable practice, a few cocoon producers who have tried these adulterated egg-sheets have a strong prejudice against the disease-free egg-sheets. Had there been no such impediments, the attempt to introduce the disease-free egg-sheets would be crowned with more success.

With the institution of the government control, the government can exercise the power of supervision over the private egg-sheet producing stations. It is hoped that the newly established Committee in executing the present program will first dispatch silk experts to make a thorough investigation or various private egg-producing stations with a view to finding out whether they have the qualified personnel and scientific instruments to produce wholesome and healthy silkworm eggs. It is needless to add that a strict ban should be imposed upon those who have hitherto produced nothing but adulterated egg-sheets to prey on the cocoon producers.

Secondly, in buying off the egg-sheets at $0.80 per sheet from egg-producing stations and reselling them to the cocoon producers at half of the original price, an incentive will be provided to induce the cocoon producers to use the disease-free eggs. In the past, the silkmen, in order to introduce the disease-free eggs to the cocoon producers, have agreed to pay for cocoons of disease-free variety ten dollars more than for native cocoons. This difference in prices has very much prompted the cocoon producers to use disease-free eggs. With the government control of the egg-producing stations and the selling of egg-sheets at half of the original price, the incentive given to the cocoon producers will naturally be far greater.

It is not stated in the program how the government will recover the difference between the purchase and selling prices. It is likely that the government may recover the difference by imposing an additional tax on the cocoons. In view of the great benefit which the silkmen will receive as a result of the improvement in the quality of cocoons, I do not believe that the silkmen would ever raise a cry against the imposition of an additional tax of this sort. On the contrary, the silkmen will gladly cooperate with the government if they can be assured that the additional tax thus levied will be wholly spent for the promotion of the silk industry.

Increased Capacity Required

We have been told that the total number of egg-sheets now produced by the government and private egg-producing stations in Kiangsu is yet very small and far from being sufficient to meet the demands of its total cocoon producers. Such being the case, the government, prior to the execution of the present program, should find means to expand the works of the existing establishments so as to increase their capacity of production. In view of the big initial capital required for this work, we, of course, do not expect the government to carry out the work of expansion all at one time, but hope the government will be able to undertake it step by step, and that after, say, three or five years, the total number of egg-sheets produced in this province under the government control will be big enough to meet the demands of its cocoon producers.

And thirdly, through the government control over the production and distribution of egg-sheets, the government will be in a position to tell approximately the total quantity of cocoon production in this province. Hitherto we have had only some vague idea as to the cocoon productions of different provinces, because the information we have secured is more or less guesswork and can not be accepted without a grain of salt. In recent years, because of the business depression, the cocoon productions have been very much decreased, but we can not tell what has been the percentage of this decrease. The enforcement of the government control will enable us to secure much accurate information which will be useful in our present endeavor of rehabilitating the silk industry.

In is a long established fact that the decline of our silk industry is principally due to the inferior quality of our cocoons. Therefore in order to rehabilitate our silk industry, we must spare no efforts to improve the quality of our cocoons. For years we have done our best in introducing the disease-free eggs to our cocoon producers; but because of the lack of cooperation among the various sericultural agencies and adequate assistance from the government, we have not achieved much success in this important wark. The present initiative taken by the Kiangsu Provincial Government is a step toward the right direction, and the program mapped out by the Committee for the Improvement of Sericulture, if carried out, will contribute a great deal toward the betterment of the quality of cocoons not only in Kiangsu but also in other provinces.

It is hoped that the example set by the Kiangsu Provincial Government will be followed by the authorities of other provinces. The relief of the silk industry is no longer a local problem, but a national issue. The provincial governments of Chekiang and Anhwei should cooperate with that of Kiangsu in carrying out this noble work of reconstructing silk industry in Central China. Likewise, the authorities in Kwangtung, Szechuen, Shantung and Hupeh should follow suit. It is only through the individual and collective actions on the part of various provincial anthorities that we can successfully arrest the downfall of our silk industry.

Shanghai, March 12, 1934.

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4	Third	„ „	50,000
10	Fourth	„ „	10,000
50	Fifth	„ „	2,000

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British Foreign Secretary Explains Chinese Railway Bond Position

In the House of Commons last month Mr. Moreing asked the Secretary of State for Foreign Affairs who are responsible for the payment of interest and amortisation of the Peking-Mukden Railway loan; from what source payments are made; whether any offer has been made by the de facto Government of Manchukuo to bear a proportionate share of the charges; and, if so, whether such offer was accepted by the Chinese Government?

Sir J. Simon replied: The Peking-Mukden Railway loan is a first charge upon the railway and its revenues, and principal and interest are guaranteed by the Government of China. After the military operations in Manchuria in the autumn of 1931, the service of the loan was effected by that part of the railway lying within Manchuria for which a separate railway administration—the Feng Shan railway—had been set up. The payments were made largely out of the funds accumulated by the Peking-Mukden Railway in Mukden upon which an embargo had been laid. These were exhausted about February, 1933, and about the same time it was arranged that the necessary payments should be made by the recently established Railway Control Board. About the middle of 1933 an arrangement was made between the Japanese military authorities and the Chinese administration of the railway, in connection with the resumption of through traffic, in accordance with which the Feng Shan railway assumed full responsibility for the service of the original Peking-Mukden Railway loan, while the Chinese administration of the remaining portion of the railway was to be responsible for the various other loans secured upon the surplus earnings of the railway. This arrangement is, I understand, being carried out so far as the Peking-Mukden Railway loan is concerned.

Mr. Moreing asked the Secretary of State for Foreign Affairs what reply the British Minister in China had received from the Chinese Government to his representations on the subject of the continuing default on the Tientsin-Pukow Railway loan.

Sir J. Simon replied: The Chinese Minister for Foreign Affairs, in a note dated December 2, 1933, stated that every effort was being made to provide for payments into the special reserve account intended to serve for the eventual liquidation of the loans. Certain comparatively small sums have been deposited irregularly and the instalment due for March, 1933, is now completed, the total account now standing at $509,352.83. No information regarding the earnings of the railway during the past twelve months has yet been received. The position is far from satisfactory.

Mr. Moreing asked the Secretary of State for Foreign Affairs if he has any information as to the present position with regard to arrears of interest due to British bond-holders from Chinese railways; and whether any of the railways in arrears have recommenced payment and, if so, which?

Sir J. Simon replied: On February 7, 1933, when the last comprehensive estimate was made, the arrears of interest due to British holders of Chinese railway bonds was understood to amount to more than £5,000,000 sterling. Since then, in spite of a few repayments made on the Shanghai-Nanking Railway Loan of 1905, the Shanghai-Hangchow Ningpo Railway Loan of 1908 and the Tientsin-Pukow Railway Loan (German issue of 1908), I regret to say that the total amount of indebtedness has somewhat increased. The British government has impressed once again upon the Chinese Government the necessity of taking the situation in hand without delay.

Corrupt Official in Shansi Sentenced to Life Imprisonment

A recent dispatch from Taiyuan notes the fact that for the first time since the establishment of the Republic a corrupt official has been punished in Shansi. Ho Teng-hsi, a member of the tax commission, has been sentenced to life imprisonment for the embezzlement of $1,400. He was sent to make investigation into the tax conditions in southern Shansi. But instead of making investigations he started to collect "contributions" from the various chambers of commerce in different districts in southern Shansi. He was subsequently found guilty by the authorities and was sentenced to life imprisonment. His property has been confiscated to repay the exactions he collected from his victims.

Commander Hawks Inspects Hangchow Aviation Academy

Lieutenant Commander Frank Monroe Hawks achieved his first national fame in February of 1929 when he and a mechanic flew non-stop over the 2,500 miles from Los Angeles to New York in 18 hours, 21 minutes, 59 seconds. After that flight Hawks remained comparatively out of the aviation spotlight until June 27, 1929. On that date, flying alone and in the Texaco 5 Lockheed, the same high wing monoplane in which he had established his first record, he traveled non-stop from New York to Los Angeles in 19 hours, 10 minutes, and on the following day he returned non-stop in 17 hours, 36 minutes. Hr had gone from coast to coast in 36 hours, 44 minutes, which gave him the cross country laurels east and west and the round trip record. Four years later in the Texaco Sky-Chief, a Wright powered Northrop Gamma low wing monoplane, he again broke his non-stop time, coming from Los Angeles to New York in 13 hours, 29 minutes.

Aside from his speed operations, Hawks is distinguished as the first transcontinental glider pilot. In tow of an airplane, Hawks flew his glider Texaco Eaglet from San Diego to New York in the spring of 1930, explaining that the trip with its landings in a score of cities was a deliberately spectacular effort to rivet attention on gliding, a logical first step for the training of airmen.

Hawks himself, however, took his air training practically in one hop. As a schoolboy at Long Beach, California, he posed as a newspaper reporter offering publicity in return for a flight to a barnstorming aviator who was carrying passengers commercially. So he obtained his first flight, and subsequent confession drew him closer to the pilot who later used Hawks as a ground assistant. Hawks had acquired the desire to be an aviator, although a few years previously as a member of a stock company in Minneapolis he had thought of a stage career, and when the United States entered the World War on April 6, 1917, he left his Freshman classes at the University of California, and appeared at Love Field in Dallas as an Army flying cadet. While still in his 'teens he was commissioned a Lieutenant. When he was discharged in 1921 he was a captain, meanwhile having served as instructor at various Army fields in Texas.

There followed a half dozen years of barnstorming and commercial flying in the United States and Mexico, and in late 1927 Hawks joined the Texas Company under which his spectacular career begun to take shape. He was first employed as aviation superintendent, but after a half dozen sensational accomplishments he was promoted to the post of aeronautical advisor. While flying commercially, however, he held the rank of captain in the Army Air Corps reserves, from which he transferred to become lieutenant commander in the Navy.

Hawks was born in Marshalltown, Iowa on March 28, 1897, the son of Charles M. and Ida Mae (Woodruff) Hawks. In 1927 he married the former Miss Edith Bowie of Weatherford, Texas. Commander and Mrs. Hawks when in the United States live in New York City, where in the general offices of the Texas Company, Hawks makes his headquarters.

♣

The large Curtiss-Wright "Condor" plane which was brought to Shanghai last week by Commander Frank M. Hawks is now being assembled at the airdrome at Hangchow, to which place the boxes containing the various component parts were transported by train. The original plan to assemble the plane at Hungjao was abandoned, owing to lack of facilities. This is the largest plane ever brought to China. It has an 82-foot wing spread, is 45 feet in length and is about 21 feet in height.

The famous flyer, who arrived, accompanied by his wife and an expert factory mechanic, Harry Goers, was greeted by William D. Pawley, Curtiss-Wright representative and an old friend whom he had last seen in the United States. A large number of Shanghai's aviation enthusiasts and members of the American community attended a reception and tea in honor of Commander and Mrs. Hawks given at the Cathay Hotel March 10 by Mr. and Mrs. William D. Pawley. Mr. Pawley is the representative in China for the Curtiss-Wright Corporation, makers of the Condor plane.

The assembling of the new Condor plane, owing to its huge size, has to be conducted at Hangchow, where Central Aviation Academy facilities have been placed at disposal of the assemblage crew. The Lunghwa hangar has nothing large enough to hold such a craft.

Lieut-Com. Frank M. Hawks

This makes it the largest of such craft ever seen in China and in several other particulars it will be unique as regards both performance and equipment. The Commander, a rather short, decidedly sturdy and wiry individual with the first horn-rimmed glasses seen on any pilot in Shanghai for many a day, was very willing to tell about his plane which he had himself test-flown before it wat taken apart and put away in five big wooden packing cases. The Condor flies at a top speed of 180 miles an hour, it lands at the exceptionally low speed of 50 miles an hour (without necessity for the "air-brakes" of wing flaps), and it cruises at 140 to 150 miles an hour, the Commander stated in a recent interview.

One of the special points of interest in the plane, is the electrically controllable-pitch propellers used on the two Cyclone engines. Not only can these be set at any desired pitch, giving a "geared-down" take-off with relatively high engine revolution rate and corresponding power and hurry-up off the ground, and then set beck to a "high-gear" position allowing cruising economy or better position for high attitude work, but they can, if desired, be "feathered" in case one engine is stopped.

Discussing possible armament, the Commander stated that though the ship is now equipped to have a co-pilot and therefore no provision is made for machine-gun fire below and in front, with a gunner in front instead of co-pilot, fire can be directed both forward and above (as at present) but below as well; toward the rear, gunners work above, below and two are at the sides. If it is desired to carry a maximum bomb load the Condor can take up 18 100-pound bombs and two of 1,100-pound weight. This can be varied according to circumstances. "It all depends on how far you have to go and what you have to do," said the Commander. "You may want to diversify your load. The gross load runs 18,000 to 20,000 pounds. We figure a gasoline capacity for 1,300 miles range when we carry 2,500 pounds of bombs."

Commander Hawks proceeded to Hangchow March 13 to pay his respects to government officials there and to inspect the Central Aviation Academy. The setting-up at the Hangchow Airdrome of the huge Curtiss Condor airplane which Com-

Commander Frank M. Hawks, Seated in a "Condor" Plane, Preparatory to Making a Flight

mander Hawks brought with him from the United States is being supervised by Harry Goers, a Curtiss factory expert. It is expected that the Condor will make its initial flights during the first week of next month.

Captain Sun Tung-kang Pays Respects to Nanking Officials

Captain Sun Tung-kang, famous long-distance trans-continental aviator, arrived March 9 in Nanking where he called on Presidents Lin Sen and Wang Ching-wei, and other leaders. Captain Sun is due to return to Shanghai March 18 to participate in the inauguration ceremony of the Flying Club and to receive an airplane, the gift of Tu Yueh-shen, wealthy resident in the French Concession. Captain Sun will serve as instructor to the Flying Club after a trip to Nanchang and Tsinan.

The China National Aviation Association announced March 9 the total amount of contributions received, which is now nearing the million dollar mark. The fund will be used for the purchase of airplanes to strengthen China's Air Force. The campaign for contributions was begun after the Sino-Japanese fighting around Shanghai when Chapei was destroyed by Japan from the air.

South-West Plane Arrives at Wuchow

After a brief ceremony at which a number of high Government officials were present. the plane of the South-west Aviation Company hopped off from Canton March 7 in a trial flight on the Canton-Lungchow line, and safely arrived at Wuchow, in Kwangsi, before noon.

Britain Way Ahead of U.S. in Aircraft Import to China in January

The great advances which China is making in aircraft may be judged from the fact that in the month of January this year a total of Gold Units 516,695 of aircraft and accessories were imported into this country. The imports from Great Britain were more than four times those from the United States, the figures being: Great Britain, G.U. 388,514; U.S.A., G.U. 78,204, (A Gold Unit is *Gold* U.S.$0.40, which owing to depreciation of U.S. currency means at present more than U.S.$0.60) According to reports current in Shanghai, most of the British airplanes above referred to went to Canton.

British Air Ministry Places Order for Moth Planes

The British Air Ministry has placed a substantial order for de Havilland Moth light airplanes, which will form the equipment of certain Royal Air Force units. Power is supplied by a single 130-h.p. Gipsy Major air-cooled engine and full provision is made for flying by instrument alone without the help of outward vision.

Britain to Erect Airdrome in Timor Island?

The London, *Sunday Dispatch* March 10 stated that Britain is considering buying Timor island, the last halt in the air route to Australia. The price mentioned is between £5,000,000 and £10,000,000. The paper adds that both Holland and Portugal, the joint owners of Timor, are apparently willing to sell. Timor is in the Malay Archipelago and is the largest and most easterly of the Lesser Sunday group. Government circles in Amsterdam expressed themselves as being are surprised at the report. It was stated, however, that while no approach had been made as regards the purchase by Britain of Timor Island, discussions are in progress with the British concerning the establishment of an airdrome there, presumably in connection with the projected extension of the air mail service between Britain and India to Australia.

Britain to Spend £65,000 on Air Base in Iraq

Sir Philip Sassoon, Under-Secretary State for Air, in introducing the air estimates, the House of Commons March 8 included an expenditure of £65,000 on a new air base Dhibban, in Iraq. He described how hostile forces, who had been engaged in a savage raid on friendly territory, were terrified at the seemingly miraculous apparition of air policemen and fled as swiftly as they could.

Japanese Airplane Disaster in Manchuria

While reconnoitring over the Chinchow area, a scouting plane with Captain Fujita and the subaltern Soma aboard crashed from a height of 1,000 metres in the neighbrhood of Chinchow, Manchuria, Feb. 24. The subaltern piloting the plane was killed and the machine was smashed to bits. Captain Fujita landed safely by parachute.

Patriotic Organizations in Japan Send Congratulations to Pu Yi by Plane

Bearing congratulatory messages to Emperor Pu Yi from 80 patriot organizations in Japan, the "patriot" plane *Aso* piloted by Mr. Koga, carrying Mr. Fujita, a representative of the Japanese Patriotic Students' League arrived in Hsinking March 9. The messages were presented to the Emperor on March 12.

Japanese Public Contributes 165 Planes to Government

It was announced in Tokyo, March 11 that public bodies, organizations, prefectures, colonies and individuals had voluntarily subscribed to the cost of 109 airplanes which were contributed to the Japanese army and 56 machines to the navy since the Mukden incident in September 1931.

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Japanese Industrial Magnate Is Assassinated

Sanji Muto, a leading Japanese industrialist and newspaper magnate, died at his home in Kamakura, near Yokohama during the evening of March 10, as the result of three pistol wounds, inflicted by one Toku Aoki the previous day as he was leaving his home. His secretary was killed instantly by the same assassin, who committed suicide on the spot.

Deceased was 66 years of age. He had been President of the Kanegafuchi Cotton Spinning Company (which was largely his creation) until 1930 and had been sent to the Imperial Diet three times since 1924. In 1932 Mr. Muto became President of the *Jiji Shimpo*, a Tokyo daily, which post he held at the time of his death

The first news of the assassination hinted that Aoki was incensed because he had given certain opinions to the deceased regarding the reconstruction work of a crematory in Oku, a suburb of Tokyo, and that Mr. Muto had published the man's advice as his own opinion in his paper. It was also intimated that the assassin might have been instigated to the act by the Banchokai, a town council, which had been subjected to criticisms by Mr. Muto. Neither of these two hypotheses are, however, accepted, and the belief is gaining ground that political motives may have been the impelling cause. The shooting may also have been a sequel to the recent exposure by the murdered man of alleged scandals in connection with the merger of government and private steel and iron works. Mr. Muto had been critical of the merger because the assets of the private concerns absorbed were greatly over-valued. He said that this would result in forcing up selling costs and so prevent the lowering of iron and steel prices by the government. The scandal resulting from the exposure ed to the resignation of Minister of Commerce Baron Kumakichi Nakajima, who had been attacked in the Diet for alleged complicity in the affair.

Five members of the Lower House, representing the Kokumin Domei Party, third largest political party in the House, have made official demands for a complete investigation into the assassination of Mr. Muto. The five House members called upon Mr. Koyama, Minister of Justice, and Baron Minister of Home Affairs and, speaking on behalf of the party, demanded that no effort be spared to reveal the truth about the situation.

The Kanegafuchi mills and the *Jiji* are controlled by the immensely wealthy Mitsui family, and in this connection it is interesting to note that a book has just appeared in Japan, written by one Tachibana, entitled, "Survey of Crimes Committed by Political Parties." It recites the close connection between the Seiyukai and Minseito political parties and the big business interests, particularly Mitsui and Mitsu Bishi.

The late Mr. Muto was born in Gifu prefecture in 1867, a son of K. Sakuma, a member of the Parliament; he was later adopted by M. Muto. Graduating from Keio University, a private higher educational institution in Tokyo, in 1884, he went to the United States for further study and served as correspondent to the now defunct *Japan Gazette*, and English daily newspaper.

Funeral services will be held Mar. 16 at the Osaka Kokumin Kaikan Hall with memorial services in the *Jiji Shimpo* auditorium. The services will be according to Christian rites.

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Tokyo Justice Minister Charged with Graft ---Attacker Is Suspended from House

Sensational charges of graft and corruption were made in Tokyo, Mar. 6, against high Government officials and business men by K. Okamoto, member of the House of Representatives, who recently initated graft charges against the former Minister of Education, Mr. Hatoyama. Matsukichi Koyama, Minister of Justice, with two brokers and an Army sergeant, were the targets for Mr. Okamoto's latest charges, which were filed with the Metropolitan Police Board. These stated that Mr. Koyama, while Public Prosecutor-General was "entertained" by the proprietor of Numama & Co., member of the Tokyo Stock Exchange; T. Kobayashi, another broker; and a certain Army sergeant, in connection with protection given three Communists by Mr. Kobayashi, who had strong Communist leanings himself and frequently contributed financially to the Communism cause. Later, Kobayashi was arrested and tried on the charge of contributing to communism and harboring dangerous thoughts.

The outcome of the allegations so far has been that on March 10 the punishment committee of the Lower House found Mr. Okamoto guilty of making false charges against the former Minister of Education, who resigned a week previously. The Public Prosecutor's Office has decided to take action against Mr. Okamoto in connection with the charges brought against the Minister of Justice.

"Patriots" in Tokyo Attempt to Stop an American Revue

Only intervention by the police prevented "patriots" breaking up the show when the Marcus revue, an American company, opened their engagement at the Nihon Gekijo Theatre, in Tokyo, March 1. During the scene "La Vie Paris," three men climbed on the stage, where they scattered handbills, others being dropped by comrades seated in the gallery. Addressing the audience, the men said they should be ashamed of themselves spending their time and money at revues, while the country was in danger. "With a war with Russia imminent, love of erotic revues is ruinous to the Japanese national spirit," declared the handbills. The men are stated to be members of the National Foundation Society. They were all arrested.

Suicides on the Increase in Japan

According to figures just released by the Metropolitan Police Board in Tokyo, 2,551 persons including 1,052 women, committed suicide or made futile attempts on their own lives in Tokyo alone during last year, with 7 persons hurrying death per day, which is an increase by 194 persons as compared with those of the preceding year. Among the causes which drove them to end their lives are sickness, unreciprocated love, insane passion, destitute living, mental collapse and domestic troubles.

Unfavorable Trade Balance During First Ten Days in March

Japan's foreign trade during the first ten days of March totalled Yen 124,487,000 compared with Yen 112,931,000 during the last ten-day period of February. Exports amounted to Yen 56,882,000 and imports Yen 68,605,000 resulting in an unfavorable trade balance of Yen 11,723,000. The total excess of imports over exports since January 1 is Yen 46,290.000

Big Mukden Battle Commemorated

On the occasion of the 29th anniversary of the Mukden encounter March 10 during the Russo-Japanese War in 1905, which is Army Day in Japan, an impressive and solemn ceremony was held at the outer precincts of the Military Shrine at Kudan (Tokyo) under the auspices of the Army Club. The Emperor was present.

Attack on Education Minister Is Frustrated

A "patriot," armed with a short sword, was arrested by Mr. Hatoyama's personal guard Feb. 26 when he attempted to make his way into the Minister's private room in the Education Department building, in Tokyo. The man was quite open in his attempt, for he went down the corridor shouting that the Minister should resign. He offered no resistance when challenged. The man gave his name as Goro Moriyama, aged 31.

One Unrepentant Communist at Dairen

The trial of Dairen Communists, scheduled to be opened at the Dairen District Court on April 5, is likely to find only one unrepentant namely, Nakao Kawamura, who has spurned the service of the attorney assigned by the court to defend the Reds. Originally, ten Communists were arraigned before the court last year, but one has died and eight others have been induced since by their relatives to forsake Communism.

⁂

Japanese Torpedo Boat Capsizes During Maneuvers

Upwards of a hundred of the crew, including several officers of the Japanese torpedo boat *Tomotsuru* lost their lives when the vessel capsized off Hsirado island March 12 during maneuvers held together with other vessels of the 21st topedoboat flotilla. The vessel was of 527 tons, only launched last month, and was heavily armed despite the low tonnage. The hulk was towed back to Sasebo, hull upwards, with many of the crew inside being gradually smothered or drowned. On reaching the dock oxygen and fresh water were intrduced into the hulk and several of the those still surviving were taken out of the vessel in an extremely exhausted condition. The incident has caused a sensation throughout the country and several investigation bodies have commenced enquiries with a view to ascertaining the real cause of the disaster.

Admiral Suetsugi, Commander-in-chief of the Japanese Combined Squadron, has expressed the opinion that Japan was forced to build this type of ship, (heavy armament in proportion to tonnage) on account of naval limitations and opined that the principle of ratio should be abolished.

U. S. Gunboat, Ablaze in Bias Bay, Is Abandoned

The crew of the U. S. S. *Fulton* of the United States Asiatic Fleet, patrolling Bias Bay (pirate lair on the southern coast of China) had to abandon the vessel when a fire which broke out March 14 threatened to take their lives if they remained aboard any longer. Forty-eight survivors were picked up by the s.s. *Tsinan* and 60 others by the British warship *Wishart*, but all the *Fulton's* boats were not accounted for up to the time of going to press.

Canton Telegram Denounces Pu Yi Enthronement

A circular telegram in denunciation of the enthronement of of Pu Yi as the puppet "Emperor of Manchukuo" was issued jointly by the South-Western branch of the C. E. C. and the South-western Political Conucil in Canton March 8. Expressing indignation at the conduct of the traitorous Pu Yi, the message declared that the danger is now spreading to Inner Mongolia and North China. Unless the activities of the traitors are effectively checked, the whole of the country will be menaced, the message said.

Chinese Government Issue Mandate Against Pu Yi

A mandate against Henry Pu Yi, now Emperor of Manchukuo, was issued in Nanking, March 12 by the National Government. In allowing himself to become the head of the puppet regime in Manchuria, the edict states, Pu Yi is guilty of *lese majesty*, and is therefore punishable in accordance with the law governing acts of treason against the Republic. Pu Yi's associates also come in for condemnation, and the mandate declares that they must be dealt with according to the same law and regulations governing the punishment of bandits.

Labor Unrest in the Silk and Other Industries

A review of Shanghai labor conditions for the week ended March 10 showed particular unrest in two lines of business and agitation, more or less current, in several other industries. Because of the long depression in the silk industry, more than 80,000 operatives are estimated to be unemployed and strike conditions are usual in the filatures which are still working. With a view to devising relief measures for the unemployed, a joint meeting of the various silk workers' Unions was held March 9 and it was resolved that a relief committee for unemployed silk workers be organized. The silversmith trade is the second to be seriously affected by disturbances, but which are confined to Chapei and Nantao. Go-slow strikes declared weeks ago in a number of shops are still in progress and at the premises of the Silversmith Shop Owners' Association, Nantao, 20 artisans, who declared on March 5 their intention of stopping there without food, were still adamant March 10 morning. Efforts of the Bureau of Social Affairs to settle the matter have thus far been unsuccessful.

Meanwhile, other movements in the labor field included the continued agitation of 110 workers in the Tien Tsang Paper Mill, 408 Yangtzepoo Road, protesting the dismissal of an employee, and unrest among tallymen of the China Merchants' S. N. Co.

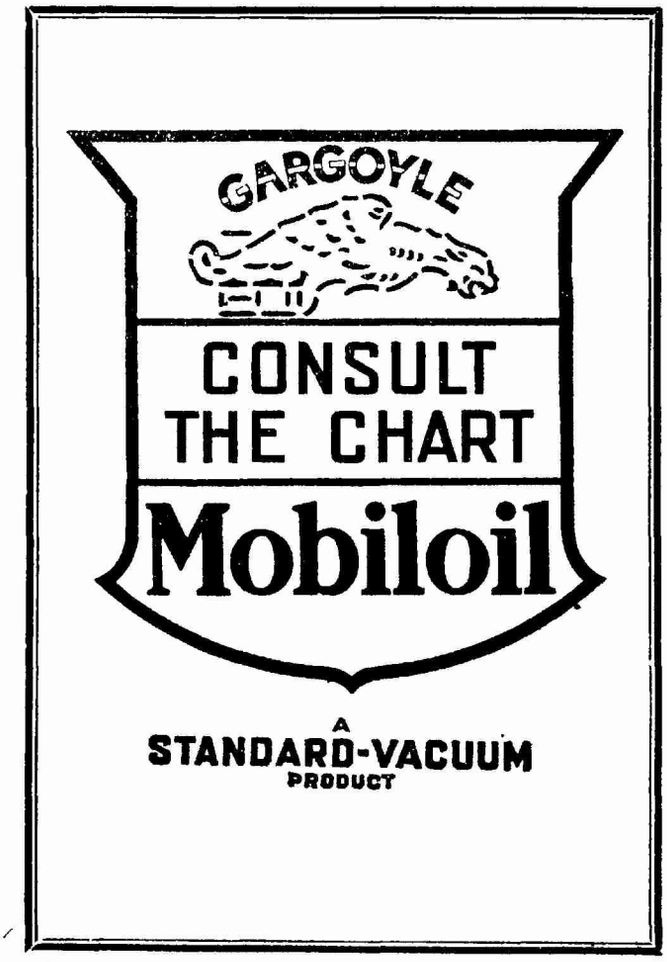
Canton Makes Rapid Progress in Judicial Reform

Canton is making determined efforts to achieve judicial reform. With the completion of a number of new prisons and detention houses and with the adoption of several important resolutions for the improvement of the judicial machinery, progress is being made in the carrying out of the program for better administration of justice as laid down in the Three Year Plan for the Reconstruction of Kwangtung.

In a proposal adopted by the Southwest Political Council, General Chen Chi-tang urges official action to forbid unnecessary delay in the trial of court cases and suggests definite measures for prison reform, including improvement of conditions inside the cells and vocational education for the convicts. General Chen states that prompt trial of criminal and civil cases is essential to judicial efficiency and therefore steps should be taken to prevent judges and lawyers from unnecessarily prolonging the proceedings.

Lord Morley Says Hitler Agents Tried to Assassinate Him in U. S. A.

Lord Marley returned to London March 9 from an extensive lecture tour of the United States. In an interview he charged that Hittler agents in New York had made two threats on his life because of his anti-Nazi lectures. It will be recalled that he came the Far East last summer in connection with the abortive anti-war congress. When he visited to Japan he was, practically speaking, deported. Lord Marley is chief opposition whip in the House of Lords.



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Is Rent Reduction in Shanghai Justifiable?

BY B. Y. LEE (李炳郁)

THE rent problem of Shanghai concerns every resident in the community, and needs an amicable solution.

The amount paid for the use of a house in Shanghai in terms of gold is rather low as compared with that paid in other metropolises in the world. But we must consider the economic condition in China, particularly that prevailing in Shanghai at the present time. Rents are abnormally high in Shanghai, particularly in the International Settlement and the French Concession, and the outcry for the reduction, reasonable and just, is now in full swing. Immediately after the Sino-Japanese hostilities in Shanghai of 1932, thousands of business establishments located in or near the war zone faced bankruptcy, due to the suspension of trade, and the populace suffered even more terribly, due to pillage, plunder of rowdies, and burning of their homes. It was then that the question of rent reduction in Shanghai, especially in the Hongkew district, which suffered the most, would have been realized, and the Shanghai landlords were expected to show their sympathetic feeling toward the innocent war sufferers by means of a reduction by a certain percent for a period of time. Contrary to our expectation, the Shanghai landlords turned a deaf ear to the plea. During the hostilities, more than nine thousand houses and mercantile premises in the Chapei and the Hongkew districts were destroyed by Japanese gunfire, and as a result the demand for housing has been more urgent than formerly. Many landlords whose houses were not destroyed during the hostilities have now raised the rent as high as 100% compared with that of 1932 . Mainly due to economic depression, many of these houses up to now still are not occupied, but the landlords, either absent from Shanghai, or unmindful of their source of income from land, fold their hands, waiting for business improvement, and unwilling to let their houses at a lower rate.

Despite strong agitation and outcry for rent reduction during the past two years, the landowners have faced the situation courageously and persistently. However, the tenants are not discouraged by the unwillingness on the part of the landowners, but renew the campaign with a more force than ever. The present agitation for rent reduction is more orderly organized than the first one and is there are signs of a satisfactory result. Since the past two years business conditions in China have gone from bad to worse, and the business men in Shanghai have never experienced such hard times as they are now having. China as yet has not compiled statistics concerning business failures, as European countries have done, but according to private information available, the number of business failures in Shanghai during the past few months has reached the largest in history. It is estimated at least 5,000 mercantile houses all over Shanghai have not paid rent for several months, and many of them, in normal times, would have been ordered to close by the court; but during this time of economic depression the order for closing down these semi-bankrupt stores has been withheld by some authorities because of the straitened economic conditions. It is reported that at least 70 business establishments located along Nanking Road, the most prosperous business section in Shanghai, will shortly close their doors, unless some unforseen factors enter into the situation. A very large restaurant located in Nanking Road hasn't paid rent for nearly a year, and in order to save it from going into bankruptcy, the landlord of the premises has recently granted a loan of $10,000 to his tenant so that it may carry on its business until better times come.

100-Year Old Silk Store Closes Doors

The volume of business transacted of late by the most prosperous business houses in Shanghai has been reduced considerably, although reliable statistics concerning them is lacking. One of the largest silk stores in Nanking Road, which was established more than a hundred years ago, has recently closed its doors. The signboards "To-let" are seen everywhere in all principal streets, which was a rare thing to be seen in recent years. The modern department stores in Nanking Road are not doing well. The price of the shares of these companies has dropped from 25% to 50% since 1931. Salaries have been reduced to 80% in all these department stores. A large department store, which seems very prosperous, hasn't paid rent since last September, and its landlord has filed a law suit in the court to enforce the payments due. All modern stores are one-price establishments, and customers would be sneered and laughed at should they start bargaining about prices. But the old customary practice has got loose again and bargaining and haggling often take place. Several friends of mine recently went into one of the department stores to buy a pair of shoes. After examining all the stocks, the prospective purchaser picked up a pair marked $9 and asked whether there was any discount. Without a bit of hesitation, the salesman on the counter replied and said "yes", and sold the goods for $8.

The increasing number of business failures and the stagnation of trade are chiefly due to the descreased purchasing power of the people and the low price level of commodities. As there is little business, how can mercantile houses pay high rent? As the general economic condition is bad and unemployment is widespread how can tenants pay rent, which is much higher than that in normal times when the opportunity for employment was plentiful? A very satisfactory reason why the tenants demand a rent reduction is that the commodity prices have reached a very low level. For example, we make an index number from prices of 260 commodities in 1926 and take that year as the base of 100%. The following shows the true relative situation between prices and amount paid for rent:

Year	*Index number for* 1926	*Rent*
1926	100%	100%
1929	104%	122%
1930	111%	104%
1931	112%	106%
1932	112%	107%
1933	103%	109%
1934	98%	110%

From the above figures we can see that recently the commodity prices have declined, while rents have increased. It is self-explanatory that the rent question should be carefully considered. Last year, practically all lines of business undertakings in Shanghai suffered greatly, with the exception of construction work, which was started in the previous year and left to be finished. In Frenchtown the number of new houses has increased considerably of late, and rent is exceptionally high. Since the Sino-Japanese hostilities in 1932, the population of the three Shanghais, namely, the International Settlement, the French Concession, and the Chinese cities, has increased due to political disturbance and communistic outrages in the interior.

The committee for the advocation of a rent reduction, consisting of representatives from tenants' associations, street unions, and various organizations have frequently met and discussed ways and means to have the landlords reduce their rentals. A public notice recently appeared in all Shanghai Chinese dailies, showing the resolutions adopted by the said committee, and running as follows:—

1. The said resolutions shall go into effect from 1934 to 1937, and upon expiration of the said date, some modifications shall be made.
2. Premises built before 1925 shall reduce rental by 10% from present rates.
3. Premises built from 1925 to 1927 shall reduce rental by 20% from present rates.
4. Premises built from 1928 to 1930 shall reduce rental by 30% from present rates.
5. Premises built before 1925 to 1933 shall reduce rental by 40% from present rates.
6. Rents shall be paid according to the new calendar only.
7. Rents owed up to the end of 1933 must be paid in full.
8. Municipal tax shall be based on the latest rates.
9. Petitions shall be submitted to the municipal authorities for careful consideration.
10. Should the landlords refuse to accept the new rates thus adopted, the tenants are ordered to deposit the amount in banks, until a decision has been reached by authorities.

Land Investment Shares Drap Heavily

Of course, the Shanghai landlords will not voluntarily yield to these points just mentioned unless the higher authorities force them to do so. At any rate, tenants, especially those who have organized tenants' associations, will not pay rent since January of this year. There will probably be many lawsuits against the tenants brought into the courts in the near future as a result of the recent agitation against the high rents. At present, the agitation may bring no fruit as the landowners' association is closely related as one unit, while the tenants' associations are not, and poorly financed. The Shanghai

landowners are few in number, and some own several blocks. They are financially strong, and it means very little to them to let their houses empty for any length of time. It is a herculean job for a group of tenants to try to get rentals reduced without resorting to some strong measures. As soon as the whole of Shanghai joins the campaign the tenants will obtain their desired aim.

The decrease of receipts from rent is well shown in many foreign land investment companies in Shanghai. Among them the Shanghai Land Investment Company is an excellent example. This company is the best barometer of Shanghai land values and Shanghai land receipts. Berore the Sino-Japanese hostilities of 1932, the price of this companv's shares was about $70, and up to the end of last year they were sold for $32. Now they have dropped to $24, and still it is hard to find buyers at this price. This company owns a great deal of real estate in Shanghai, particularly in the Hongkew district, where many houses are empty. Consequently the income of the company has been reduced considerably. The recent appreciation in the value of silver means a drop in land values in Shanghai. This was true after the European War when the value of land here reached its lowest level for the decade. Besides Shanghai, the land value in Canton and elsewhere has dropped more than 50% from its highest level in the past years. The people ask: Since prices of almost everything have dropped, why not rent? Business men assume risks, so do landowners. Every form of investment involves an element of risk. A drop in value of land, and a reduction of rent are common occurrences. The Shanghai landowners must face the situation squarely and do their bit voluntarily, and when economic conditions return normal they will receive their customary income as they have previously received.

Heavy business failures are reported to have taken place in many principal cities all over China, notably in Tientsin, Canton, Hankow, Shanghai, etc. Since the old China New Year, over one hundred business establishments of above middle class in Tientsin have failed to reopen, besides numerous smaller shops and stores. A very large cotton mill in Tientsin went into bankruptcy last week. A survey of the Canton inudstrial situation reveals that practically all native industries have been adversely affected by the general depression during the past year, the slump being aggravated by the recent Fukien revolt. A number of business establishments have closed down, with the result that the number of unemployed workers has been increased by about 80,000. On account of the depression, many wealthy men in the interior are unwilling to start any business or industrial undertakings, but prefe- to transport their savings for deposit in Shanghai banks. Cone sequently banks in Shanghai have plenty of cash in hand but arr afraid to invest or grant loans. Hence they are loaded up with Chinese Government bonds, which, at the current price, still yield them a fair return.

In face of the present acute economic depression with an precedented number of business failures, coupled with an unusually low index number of commodity prices, the people in Shanghai are now paying a higher rent than formerly. It is true many landlords, who bought land at a peak price and constructed premises during the past few years when the building materials and wages were high, consider the present agitation against high rent to be unjust and unreasonable. But we should bear in mind that the present economic conditions must be taken as a basis and base our ideas on what the people are able to pay, not what they must pay. The higher authorities are in a quandary as to what to do. They may adopt a middle course, and wait for a natural development before they butt in. In the meanwhile there will be numerous disputes between landlords and tenanats as to what one ought to pay and what one ought to receive. Instead of letting the matter drift, some form of compromise should be effected. Let landlords, tenants, labor unions, chambers of commerce, the government and municipal authorities work out a practical plan to solve this problem—a problem which concerns us all. The initiative should come from the government and effective suggestions from individuals should be considered so that the dispute between landlords and tenants will may be adjusted amicably in order that the economic level of the community may be maintained.

Shanghai, March 12, 1934.

Shanghai Journal Discusses Rent Reduction Movement

The Shanghai *Min Pao* comments: "It is an undeniable fact that house rents in Shanghai have been extremely high. This is specially felt by the lower class, which earns only a few dollars a month and has to pay more than half they get to the landlord for shelter. However, this does not necessarily mean that everybody would be enriched by being a landlord. Estimates show that those who invest in real estate do not get more than five per cent interest. Therefore, although the tenants are under the impression that the landlords are getting too much, the lattter are still unsatisfied with the interest they receive from their investment. As a result while the tenants are demanding rent reduction, the landlords are contemplating an increase in rent. This is indeed an unusual situation.

"In recent months Shanghai has suffered an acute economic depression such as it never experienced before. The more depressed business becomes in Shanghai the stronger will the rent reduction movement become. From the viewpoint of the majority of the residents in Shanghai the rent reduction movement is getting the moral and material support of everybedy except the landlords. While it is true that house rents should be calculated in terms of interest on the sum the landords invest, it must not be forgotten that this calculation should not be permitted to effect the economic life of the people. It would be wrong to ignore the interests of the public simply for the benefit of a few capitalists. Besides, to kill the goose which lays the golden egg is not a wise policy for the landlords to adopt. For the general welfare of the public and in consideration of their own future interest it would be wiser for the capitalists to consider the proposals of the tenants and see what they can do to meet their wishes."

Japanese Arrives to Plead "Manchukuo's" Cause in Far Eastern Olympic Games

Dr. Tadaoki Yamamoto, Professor of Engineering in Waseda University, arrived in Shanghai this week with the object of persuading China to agree to the participation of "Manchukuo" athetic delegates in the forthcoming Far Eastern Olympic Games to be held in Manila. From here Dr. Yamamato proceeded to Manila to open formal negotiations with the Philippines regarding the matter. He is due to return to Shanghai in the near future and is then expected once more to approach the Chinese authorities.

Dr. C. T. Wang, former Minister of Foreign Affairs, who had proceeded to Peiping in connection with the affairs of the Chung Kuo Ta Hsueh (China College), returned to Shanghai several days ago to attend an urgent meeting of the National Athletic Federation to consider China's participation in the forthcoming Far Eastern Olympics next summer.

Athletics Federation to Be Reorganized

The China National Athletics Federation is to be reorganized in accordance with revised regulations approved at the annual meeting of the Federation recently.

The purpose of the Federation is to promote amateur athletics for the development of the people's physique and the cultivation of sportsmanship, the regulations provide. The functions of the organization are to take charge of national and international athletic contests, determine the qualifications of athletes and examine all regulations governing athletics.

U. S. Senator Writes on World Unity as Recorded in History

Elbert D. Thomas, U. S. Senator from Utah, is the author of a treatise entitled "World Unity as Recorded in History," which is published as No. 297 (Feb. 1934) of the *International Conciliation* Series. The author mentions that old Chinese historiographers always worked in pairs. One recorded the acts which reflected the ordinary life of the personage of history while the other noted his acts as they affected the state. He says the outstanding example of nationalistic history is to be found in the history theory of Confucius He did not record acts which did not bear out his theory of government. For example, when a king was assassinated he recorded it as "the king died" because he did not think assassination was right. He never made a record of insubordination because this is something the people should not be taught. In his great compilation of the "Shu King" (The Canon of History) he left blank 200 years of the Chow period because the events of those 200 years were not as he would have had them and the events did not prove his theory that rulers were benevolent. To make the point even clearer a further reference to Confucius is made, the author calling attention to his "Spring and Autumn Annals of Lu." This book is said to have been written by Confucius when he was seventy-two years old, and to have been designed by him to serve as an epitome of his teachings upon ethical, social, and religious subjects. It is historical in many of its aspects, but it was definitely purposeful history because Confucius himself is reported to have said of this book—and his saying is not inconsistent with his theory of education—that this book would hold the people for 2,000 years.

Shanghai Social Bureau Conducts Investigation into Factories

The are altogether 3,118 Chinese factories in Shanghai according to statistics compiled by the Greater Shanghai Municipal Bureau of Social Affairs. As a preliminary to the improvement of labor conditions, the Bureau has recently conducted an investigation into the number of factories here. Machine works head the list with 720, closely followed by textile mills, of which there are 690.

U. S. Incurs Huge Debt, But Has Many Assets to Show for It

Discussing economic conditions in the United States, a recent circular issued by the National City Bank states that President Roosevelt's financial program means that the public debt of the United States at the close of the current fiscal year will stand at $29,847,000,000, a new all-time peak. With the additional borrowing expected next year, the maximum debt, according to present estimates, will be reached on June 30, 1935, at $31,834,000,000, a level of $5,237,000,000 above highest point reached just after the close of the war, and nearly double the total at the post-war low in 1930. This total does not include the contingent liability as guarantor on the $2,000,000,000 authorized bonds of the Federal Land Banks and $2,000,000,000 bonds of the Home Owners' Loan Corporation. It is pointed out that a substantial part of the increased debt is counterbalanced by the acquisition of assets—for example investments by the Reconstruction Finance Corporation in the preferred stock and capital notes of banks, from the date of its organization in February, 1932, to December 31, 1933, $1,031,000,000, or 37 per cent, has been repaid already. Even in cases where the Government has made direct outlays, as for example for public works, the sums that are spent for useful and necessary projects should add to the wealth and productive power of the country. To the extent that the Government expenditures represent the acquisition of realizable assets or the furthering of projects having some economic utility, the increase of debt is evidently in a different category from that which occurs during a war when capital and wealth are being destroyed.

U. S. Proposes to Grant Subsidies to Ships

Outright support of direct subsidies to ship builders and ship operatiors by the United States Government was voiced March 5 by Daniel C. Roper, Secretary of Commerce. "The merchant marine is indispensible to the national defence," Mr. Roper declared. "The same types of ships are necessary commercially during peace times as are equipped for defence during war. Mr. Roper's statement is interpreted as meaning that the Administration would seek an appropriation equal, or only slightly less, than previous appropriations for ocean mail contracts.

Bill to Deport Foreign Seamen from U.S.A. Is Opposed by State Department

The U.S. State Department is opposing a private member's bill now before Congress, dealing with the deportation of all seamen found residing in the United States. Protests against the measure were made by Canada and Great Britain in addition to other European nations. The State Department fears that its passage will encourage retaliation against American shipping in foreign countries.

President Curtails Army Flying of U.S. Air Mails

Following the loss of twelve lives (in addition to many other injured in frequent crashes) in 19 days, President Roosevelt Mar. 10 issued orders curtailing the operation of the airmail service by the U. S. Army. The crashes were mainly due to exceedingly adverse weather conditions. The President acted after a conference with General Douglas MacArthur, Chief of Staff of the Army. He ordered the elimination of all but the most necessary airmail flying, and further directed that every safeguard humanly possible be thrown about the equipment and personnel of the air service. Attempts were made by Republican members to start a discussion in Congress of the fatalities, but the Democrats successfully blocked all the efforts of their opponents.

An investigation into the the Army's aircraft equipment was demanded by Senator Hugo L. Black from Alabama on the floor of the Senate March 12. "Our army aviators should be able to fly anywhere, under any conditions," he declared. "In war time, the enemy is not going to stage battles only in the sunshine or beside airports. If the Army has insufficient funds for equipment, Congress should increase appropriations for this purpose.

A resolution urging the establishment of a permanent airmail service was presented in the Upper House March 9 by Senator McKellar from Tennessee. In accordance with President Roosevelt's recommendations, the resolution provided that in the meantime three-year contracts be opened for bidding to private companies which have divorced themselves fram the evils charged in connection with cancellation of the contracts. A move is on foot to appoint Col. Charles A. Lindbergh, Assistant Secretary of Aeronautics.

Kidnappers to Be Hanged

The first two men sentenced to death under the new anti-kidnapping law which fixes the gallows as the penalty for torture in kidnapping will be hanged in California on May 11. They are Harry Brooks, a cripple, 55 years old, and his accomplice, William Tanner, who were found guilty of kidnapping, torturing and robbing a prominent laywer, last December. burning his hands in an attempt to force him to disclose the hiding place of his valuables.

$1,254,000 Voted For U. S. Diplomats In Foreign Countries

The U. S. Senate March 10 passed an Administration bill allocating $87,688,000 for the departments of State, Commerce, Justice and Labor. The sum includes $1,254,000 to compensate American diplomats abroad for the drop in the dollar.

House of Representatives Passes Bonus Bill Against President's Wishes

The House of Representatives passed the Bonus Bill Mar. 12 by 295 votes to 125. The Bill, which overrides the wishes of the Administration, provides the full payment of $2,200,000,000 in soldiers' bonuses.

Many Foreign Born Serve in U.S. Congress

A recent *United Press* despatch stated that the 73rd Congress contains natives of England, Russia, Germany, Italy, Sweden, Canada, Wales, Scotland, Ireland, and Czechoslovakia. Some of the more prominent foreign-born legislators are Senator Couzens, Canada; Senator Davis, Wales; Senator Wagner, Germany; Rep. Oppleman from Connecticut, Russia; Rep. Palmisano from Maryland, Italy; Rep. Magnus Johnson from Minnesota, Sweden; and Rep. Sabath from Illinois, Czechoslovakia. Most of these men were brought to America by their parents at an early age.

Honan Magistrate Executed Because of Cowardice

(From the Review's Correspondent at Kaifeng)

A preparatory meeting to promote the New Life "Movement was held in Kaifeng, Honan Province, March 9, when all representatives of local various government organs were in attendance. In the principles of thrift, frugality, cleanness, and neatness were adopted .

Gen. Liu Chih, chairman of the Honan Provincial Government, who left for West Honan to inspect political administrations and the livelihood of the people on February 28, returned to the city March 5. Gen. Liu declared that Chin Shih, magistrade of Loning District, in West Honan, was executed on March 4. The charge against him was that he gave up Loning city, and escaped when Gen. Liu Kwei-tang entered the very region under his direct control, with the result that Loning city was captured by Gen. Liu Kwei-tang, and many people were looted. When passing through the west gate of the city to be executed, the Loning magistrate cried loudly that it was imposible for him to prevent Gen. Liu Kwei-tang from captureing Loning city, with a handful of Mintuan or people's army, seeing that several divisions of government forces could do nothing with the latter.

Chung Shan Temple to Be Built

Chang Tien-fang, a member of the Provincial Kuomintang, declared at a recent Weekly Memorial Service for Dr. Sun Yat-sen, that a Chung Shan Temple will be built on the Ching Ling Mountains, north of Hsinhsianghsien, in Northern Honan. Trees are being planted and funds, being raised. The work will begin next autumn.

Remnants of Gen. Liu Kwei-tang's army have recently combined with a notorious bandit ringleader, named Wang Yu. Their number is said to be more than 500 with some 4000 guns. After failing to capture Lushih capital, on Honan-Shensi border, they have run into Lushan, Nanchao, and Nanyang in South-west of the province. They seem to decamp into Szechuan along the Honan-Hupeh border, to join hands with Reds.

In addition, several other bandit leaders, Yang Hsiao-he, Chang Tao-yung, and Ma Hsi-yu, have also joined forces with a view to disturing peace on the Honan-Hupeh border.

National Lottery Is Opposed from North China

Twelve Kuomintang organizations in North China March 10 addressed a joint telegram to the Central Kuomintang in Nanking, urging it to order the Ministry of Finance to stop the further issue of the State Aviation Lottery. The telegram points out that since the inauguration of the State lottery four drawings have been held. Judging from the balance sheets published by the State Lottery Administration the proceeds of the last four issues to the national treasury are very small. On the other hand, the telegram says, the gambling propensity of the people has been greatly encouraged. The message concludes with an appeal that the lottery be stopped as soon as possible.

New York Lottery Planned in Aid of Unemployed

In an effort to aid the unemployed, La Guardia, the mayor of New York, is said to be preparing a lottery organization which would give out $2,600,000 in prizes and bring to the city of New York from 20 to 30 million dollars. The drawing of the lottery would take place twice a year and the operations would be conducted under the auspices of the Unemployment Relief League.

Real Estate Review by the Realty Investment Company

Plans have been submitted and approved for a fine new department store on the very important location bounded by Nanking, Tibet and Lloyd Roads. The main portion of the building will be a pleasing blending of the utility of modern construction with the Chinese motif running through the whole design. The Nanking and Tibet Road corner of the building will be carried well above the main portion and will be strictly Chinese in design and should be a fine addition to the ever-growing skyline around the recreation grounds.

Another important improvement in the Central district is the block on Honan Road, between Ave. Edward VII and Canton Road. The new Pootung Bank Building is just about completed, and the adjoining new shops are also being occupied. Now the rest of the block to Canton Road is going to be rebuilt, for the bamboo fence is just being erected prior to tearing down the old shops. The new shops will be set back, allowing for road widening. Anything like this will be a further relief for a busy street, and it is hoped that the next block north of Honan Road will soon yield to necessary widening.

Dr. Schmit Hopes for More German Trade in the Far East

A forceful plea for the expansion of Germany's overseas trade was made in Hamburg, Mar. 10 at the annual banquet of the German East-Asiatic Society, by the Minister for Economy, Dr. Schmit.

He pointed out that the economic crisis in other countries is not comparable to the distress in Germany as no other country was bled so white by inflation or was confronted by such materially and morally devastating proportions of unemployment as Germany.

In the Far East, the Minister continued, weighty problems of political and economic nature hover on the brink of solution. He expressed the hope that in the coming peaceful years it will be possible for German merchants and engineers again to exert their energies in all parts of the Far East and to place their talents for organization at the disposal of the accomplishers of great tasks and through peaceable co-operation in many spheres to weave still stronger bonds of brotherhood with the Far Eastern civilization.

Cantonese Say British Are Invading Yunnan Province

A complaint sent by the Southwest Government to Nanking several days previously that 2,000 British troops had invaded Yunnan province was categorically denied in London March 12.

It was admitted that a small party of civilians, accompanied by police escorts for protection against brigands, are exploring the Wa states inside the northern frontier of Burma.

The Canton group is however, not saitsfied, and in a telegram sent to Nanking March 13, it urged the Government to take immediate steps to strengthen the border defences of Szechuen and Sikong provinces. The message warns that unless precautionary measures are taken immediately by the government, the provinces "will meet the same as Manchuria."

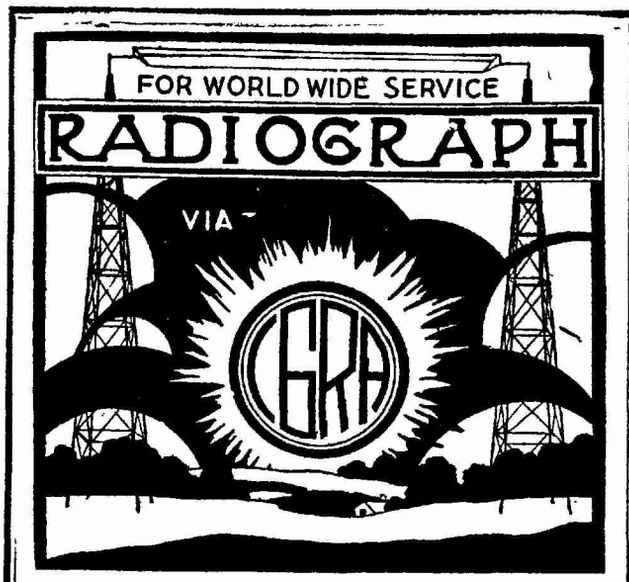
Fukien Rebel Leaders Reported Taking Refuge in France

Unconfirmed reports from Hongkong state that three of the leaders of the abortive revolt in Fukien early this year have secured French visas and are leaving for Paris in the s.s. *Conte Verde*. The trio comprises General Tsai Ting-kai, formerly commander of the 19th Route Army; General Chen Ming-shu who was chairman of the so-called people's government at Foochow and General Gaston Wong Keung, who was chief of the rebel force.

Since the collapse of the rebel government, the three generals are believed to have taken refuge in Hongkong, where they are immune against arrest by the Chinese authorities.

General Chiang Prepares for Second Anti-Red Offensive

According to a telegram from Nanchang March 12, General Chiang Kai-shek is perfecting preparations for a second big drive against the Communists in Kiangsi. He has issued identical orders to the commanders of the Government troops on the northern, eastern, western and southern fronts to make a simultaneous advance into Kiangsi so as to close in on the Reds from all sides. Regimental, brigadier, divisional and army commanders have all received strict orders from General Chiang to proceed to the front to direct operations in person. General Chiang is confident that the second offensive will turn out a success and may wipe out the Red menace from Kiangsi once for all.



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68-121

Japanese Activity in Latin America Is Watched by U. S.

(By Constantine Brown in the Washington "Star" Jan. 29, 1934)

The activity of Japan in Latin America is being closely followed by the administration.

While Japan's competition in the economic field in Central and South America has been felt in recent years, it appears that the Japanese government is now becoming strongly interested in the political matters of the Latin American republics.

This interest, which began some 18 months ago, has been especially felt during the last 7 months.

In Cuba, it is reported, the Japanese charge d'affaires, an extremely able diplomat, has offered his legation as a place of refuge for ousted Cuban politicians. More than once he personally assisted these politicians to find refuge on board ships and helped their leaving Havana. His interest in Cuba's political troubles has been more than platonic, although politically the two countries have little to do with each other.

It is true that Cuba and Japan have a commercial treaty which was negotiated in 1931 by Orestes Ferrara, the former Ambassador to Washington, who was at the same time Minister to Tokio. That treaty, which experts in the State Department declare to give all kinds of advantages to Japan and none to Cuba, also provides for the settlement of Japanese immigrants in the island. So far this immigration has been on a small scale only. There are today some 400 Japanese recently settled in the Isle of Pines and about a similar number in the Province of Camaguey, where there are important sugar plantations. In spite of the distressing economic conditions of the country, there have been no less than three economic missions from Japan which have visited Cuba in the last 7 months.

Tney had no official character, and nobody knows what their business mission was.

Peru is another Latin American republic which proves of interest to Japan. According to reliable reports Japanese aviators are at present in Lima on an undetermined mission.

In most of the Central American republics Japanese immigration is growing.

The same thing applies to certain South American republics, especially to Brazil.

In this last country there are no less than 100,000 Japanese settlers, energetic hard-working men. Japan had offered a few months ago to the government of the republic to build all the naval vessels Brazil needed. The Japanese government did not only offer cheaper and better terms than any other nation which has large yards, but also offered to take Brazil's raw materials as part payment. For certain reasons, however, Brazil has not decided to accept the Japanese offer yet.

The Japanese government has succeeded in enlisting the sympathy of a number of newspapers published in Central and South America.

The principal aim of these publications is to prevent a better understanding between the United States and the Latin American republics.

Statistics published by *Digesto Latino Americano* (Panama) are interesting.

The Japanese exports to Paraguay have increased from 140,000 gold pesos in 1924 to 308,597 gold pesos in 1928. There have been no further statistics published since, but the trade has been increasing every year. Peru tells a similar story. The Japanese exports increased from 1,856,000 yen in 1928 to 2,200,000 yen in 1930, dropped to a little over 800,000 yen in 1932 on account of the depression, but bounded up to 1,857,000 yen in the first six months of 1933. In Panama, Japan has reached the position of second to the United States and expects to improve this situation since it has started trading with the Panama Republic only three years ago. The newspaper adds that "loud and sustained agitation against Japanese espionage in the Canal of Panama and in the Republic of Panama and frequent denunciation of Japanese imperialism has not affected in the least the growth of Japanese trade." A similar situation prevails in the South American republics.

Understanding Japan

(An Editorial in the Baltimore Sun, Feb. 1, 1934)

The Japanese Foreign Ministry is reported to be working on a plan to provide the Western world with "a broader knowledge of Japanese civilization and culture." Books on Japanese history, literature, arts, science, drama, law and sports would be published and circulated abroad. Arrangements would be made for a regular exchange of professors with foreign universities. Lectures on Japanese culture would be promoted, motion pictures recording various aspects of Japanese life would be exchanged for similar films depicting life in other countries, prominent foreigners would be invited to Japan for cultural study.

This is a sensible plan, though it cannot be said to be without its drawbacks and dangers. It smacks, in part, of propaganda. Several European foreign offices have at their disposal secret funds ostensibly being used for cultural promotion in foreign countries, but which are unquestionably being put to quite other purposes. Many Americans will probably recall the once widespread belief that the Germans sought to instill appreciation of Germanic culture in our people with a view to gaining our sympathy and support in anticipation of the then approaching European war. During the war all sorts of subtle German propaganda were suddenly discovered in our schools, museums, libraries, literature, science, and even in our industries. On this ground alone the plan now advanced by Foreign Minister Hirota will very likely be condemned.

Yet the fact remains that most Americans know almost nothing about the history and culture of the Japanese people, and very little about their economic and social problems. Lacking such knowledge, it cannot honestly be held that we really understand the Japanese; and without such understanding the danger of disagreement and dissension is multiplied a hundredfold. The same holds true, of course, with regard to Japanese knowledge, or lack of knowledge, of American culture and civilization. In their ignorance they seem ready to swallow every canard invented by their militarists concerning our motives and aspirations. Such ignorance, which may be found on both sides, tends only to aggravate the questions dividing the two nations. By striving in a forthright and intelligent manner to overcome this ignorance we may be of some help in bringing about an amicable solution of these problems.

Wusih-I-hsing Highway Formally Opened to Traffic

The Wusih-I-hsing highway was formally opened at noon Mar. 10 with appropriate ceremony. The completion of this section makes direct motor traffic between "China's Chicago" and the Capital possible. In an editorial praising the progress made in highway construction under the National Government, the *Shanghai Evening Post* stated that really spectacular progress has been made by the National Government since 1927. "Few enterprises of China today," it concluded, "offer more promise than that of highway construction, which will create an increasing demand for motor vehicles of every description."

Kweichow Civil War Ended With Withdrawal of Hunan Armies

The civil war that has been raging in eastern Kweichow for some time between troops of General Wang Chia-lieh, Chairman of the province, and those of General Chen Chiu-tseng, commander of Hunan armies in Kweichow, has ended, according to a telegram from that province.

According to the peace terms agreed upon, all Hunan armies now in Kweichow will withdraw to Hunan, to co-operate across the border with the Kweichow armies in suppressing bandits.

Hard Times Causes Drop in Shanghai College Attendance

According to latest investigations the number of students in different universities and colleges in Shanghai in the new semester has been much reduced as compared with the number in the last semester. The average redction is two hundred in each educational institution. The *Min Pao* says the main reason for the reduction is that the families of many students can no longer afford to send their sons and daughters to continue their higher educa- into owing to the general economic depression.

Japanese Repudiate a "Diplomatic" Officer

A Japanese named Araki, who approached various foreign legations in North China last week seeking to ascertain the location of foreign missions, and thereby causing suspicion in diplomatic circles that the Japanese intended to launch a military drive in North China, was branded a "loafer," having no connection with the Japanese Army, by a spokesman of the Japanese Legation in Peiping March 11. The man has already been ordered to leave Peiping, the spokesman added. Mr. Araki was formerly described as a "diplomatic officer" attached to the Japanese Army in Tientsin.

Prisoners in Shansi Complain of Starvation Diet

Following complaints from a number of prisoners in Shansi that they have been living on a starving ration, the Ministry of Justice Nanking, March 11 issued a circular order to prison authorities throughout China warning them not to reduce prisoners' rations on the pretext of retrenchment. The Shansi prisoners, according to a report published in the *Central Evening News*, alleged that they were given food costing less than three dollars per month, the minimum fixed by the Ministry of Justice.

Who's Who in China

Gen. Ma Chung-ying, army officer; born at Hochow, Kansu, 1909; entered army service at age of 15; served successively as battalion commander and regimental commander; promoted Commander of 36th newly organised Division in Sinkiang since 1933; born of well-known Mohammedan family, he has been weilding considerable influence among the Mohammedan population in the Northwest, particularly in Kansu and Sinkiang: when Gen. Chin Shu-jen, Chairman of Sinking, was overthrown by the Mohammedan tribes in the Spring of 1933, he marched from Kansu into Sinkiang and took over control of that province; however, soon Gen. Sheng Shi-tsai, a Manchurian Commander, with the Manchurian troops repatriated from Russia rose to oppose him and a war of rivalry for the mastery over Sinkiang has ensued since last Summer, during which Gen. Ma's Mohammedan forces had on many occasions threatened to capture Tihua, Capital of Sinkiang, but each time they were repulsed; intermitent outbreaks between him and Gen. Sheng now still feature the situation in Sinkiang; he was appointed last Summer Garrison Commander of Eastern Sinkiang by Gen. Sheng, but has consistently refused to accept the appointment; he is responsibile for the recent overthrow of the rebel Government at Kashgar in Southern Sinkiang, but is reported to be intimately involved in political and military activities in Sinkiang; address: Headquarters, Commander of 36th Newly Organised Division, Hami, Eastern Sinkiang.

馬 仲 英
Gen. Ma Chung-ying

馬仲英，字子才，甘肅河州人，十五歲即入軍旅，爲團營長，回族胥重門第，以馬爲將門後，屬望有加。現年二十五歲，爲中央陸軍新第三十六師師長，去春因前新疆省主席金樹仁爲回民驅逐。馬氏入新維持治安，旋盛世才起而反馬，盈城盈野之殺人戰，今尚繼續未止也。

Gen. Ma Chung-ying's Tungans Again Badly Beaten by Rival Forces

According to a *Tass* report from Bakhty March 10, the forces of the Sinkiang Provincial Government are continuing the pursuit of the Tungan troops of General Ma Chung-ying, and attacking the Davanchi mountain pass, a hundred kilometres south of Tihua, Capital of Sinkiang. The Tungans had strongly fortified the pass, but in spite of that, the provincial forces, commanded by General Sheng Shi-tsai, defeated them and occupied the pass, forcing the Tungans to retreat in panic. The provincial forces took a great number of prisoners, and a part of the artillery and baggage train.

The towns of Turfan and Toksun have been cleared of Ma Chung-ying's troops. The Uigur population of the districts formerly occupied by the Tungan bands welcomes the victory of the provincial forces. The Provincial Authorities expect soon to restore order completely in Sinkiang.

The National Government has received an official message from the Provincial Government in Sinkiang, reporting on their recent victories over the Mohammedan troops under General Ma Chung-ying. According to the telegram, the provincial troops have completely routed the Mohammedan forces and have captured Turfan and several other towns in that vicinity.

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Men and Events

T. O. Thackrey, editor and general manager of the *Shanghai Evening Post*, is ill at the Shanghai Isolation Hospital.

The Washington's Birthday ball, postponed from Feb. 22 owing to the death of the King of Belgium, will be held March 22 in the Paramount ball room.

R. Vivian Dent will deliver a lecture on "The Ruins of Angkor" before the North China Branch of the Royal Asiatic Society, March 22, at 5.15 p.m.

Dr. H. H. Kung, Vice-president of the Executive Yuan and Minister of Finance, proceeded to Nanchang during the week, for a conference with General Chiang Kai-shek.

Dr. V. K. Ting has accepted the offer to become secretary-general of the Academia Sinica, which post has been vacant since the assassination of Yang Hsien-fo last year.

The Kwantung provincial government has issued an order to its subordinate organs that, hereafter, trial by torture must be prohibited and care must be exercised in passing the death penalty.

The death occured February 24, after a brief illness, of J. B. Armstrong, assistant freight traffic manager of the American Mail Line, Seattle, and formerly their representative in Manila.

Dr. Alfred Sze, the Chinese Minister to the United States, arrived in Panama March 10 on his way to Washington. He was accorded an enthusiastic reception by the Chinese colony in the Isthmus.

George F. Shecklen, manager in China for the Radio Corporation of America and adviser to the Chinese Government Radio Administration, departed this week on a business trip to north China.

A lecture was delivered by Mrs. Dagny Carter on "The Art of the Nomad" before the North China branch of the Royal Asiatic Society March 14. The lecture was illustrated with lantern slides.

George Gorman, editor of the *Manchuria Daily News*, organ of the S.M.R. and the Japanese administration in the Kwantung Zone, passed through Shanghai during the week on his way to Europe on a business trip.

Dr. Wellington Koo, Minister at Paris, has been instructed to attend the meeting of the Advisory Committee of the Council of the League of Nations in May next when the question of postal service in Manchukuo will be discussed.

According to a communication received by the Ministry of Education at Nanking from the President of the Colorado Mining College in U.S.A., a scholarship of U.S. $250 annually, tenable for four years, is available to any qualified Chinese student.

The engagement was announced in Saigon March 7 between Bao Dai, the youthful Emperor of Annam, and Miss Yuen Hu-hao, a member of a wealthy Cochin-Chinese family. The wedding will take place on April 20. Emperor Bao Dai is 21 years old.

The annual meeting of the board of directors of Ginling College was held in Nanking, March 2. Twenty members were present, in addition to Dr. Yi-fang Wu, the advisor, Mrs. Lawrence Thurston, and the treasurer, Miss Elsie M. Priest.

Shih Chih-chuan, Vice-Minister of Justice, is making an inspection of the various law courts in North China Mr. Shih practised law in Peiping for many years and was also on the faculty of the Law College of the Peiping National University.

National and party flags throughout Canton, March 11 were flown at half mast for Dr. C. C. Wu, Although the famous Chinese statesman died and was cremated at Hongkong some time ago, his remains were only conveyed to Canton March 11 for a state funeral.

Whitney Young, present Third Secretary at the American Legation in Peking with the additional commission as Consul to perform consular duties there on behalf of the American Consulate General in Tientsin, has been assigned for service as Consul in Tientsin.

The Overseas Affairs Committee at Nanking in a recent cable to General Chiang Tso-pin, Minister to Tokyo, urged that a vigorous protest be lodged with the Siamese Minister there against the recent massacre of Chinese at Bwootung, near Bangkok, capital of Siam.

Mr. Ariyoshi, the Japanese Minister to China, is leaving for Japan at the end of this month or early next month. In the meantime Mr. Ariyoshi will probably pay another visit to Nanking to exchange views with Wang Ching-wei regarding the revision of the Sino-Japanese Treaty.

A series of receptions was tendered last week in Nanking to Tan Chen, Vice-President of the Judicail Yuan, who is leaving on a tour of Europe and America shortly in order to study the judicial systems in the leading countries. His tour will cover France, Germany, and the United States as well as other countries en route.

Li Ping-hang, director of the Department of Labor of the Ministry of Industries, who has been recently appointed by the Chinese Government as its delegate to the International Labor Conference of the League of Nations in May, will sail with Wang Chih-sheng, delegate of the employers, on April 10 on the *Conte Rosso* for Geneva.

Dr. Benito Mari, the Italian silk expert, who was invited to Canton to make recommendations for the improvement of Chinese silk, is a patient at the Yee Yeung Sanitarium at Yee Sha Tau, Canton but is recovering. As soon as he can leave the Sanitarium, Dr. Mari will continue his inspection our of Tai Leung and Shun Tek, leading silk producing districts along the West River.

Dr. J. B. Ferreira da Silva, consul-general for Portugal and concurrently Portuguese Consular Judge, having departed for Lisbon to take up a new post in the Ministry of Foreign Affairs, the local consulate is at present in charge of A. S. Braga, chancellor—pending the arrival of Dr. A. J. Alves, who is at present Portuguese consul in Bombay.

The Shanghai Industrial Mission, headed by Kuo Shun of the Wing On Cotton Mills, arrived in Tsinan March 8. The party visited several cotton mills and dye factories in the afternoon and were entertained at dinner by General Han Fu-chu, Chairman of the Shantung Provincial Government, and Chang Hung-lieh, Provincial Commissioner of Reconstruction.

Monsignore Mario Zanin, the new Apostolic delegate to China, who was consecrated Archbishop of Traianopolis by Cardinal Biondi on January 12, departed from Venice Mar. 10 on board the Italian liner, *Conte Rosso*, for China. Liu Wen-tao, the Chinese Minister to Italy, and many church dignitaries, were on the dock when the vessel sailed to wish him *bon voyage*.

The *China Evening News* features a Nanking report that Hu Han-min's support of the Central Government will be soon forthcoming. It is stated that he may even join the Government. Lin Sen, President of the National Government, Wang Ching-wei, President of the Executive Yuan, and General Chiang Kai-shek, Chairman of the Military Council, according to the report, have been communicating in their private capacity with the southwestern leaders.

Professor Verne Dyson has resigned from the teaching staff of the University of the Philippines to become Director of the Institute of Chinese Studies in New York City. Professor Dyson is at present giving a series of weekly lectures on Chinese historical and cultural themes at Steinway Hall in New York City. He formerly lived in Shanghai, having departed from Shanghai for Manila in 1928.

Miss Hester Haynes, 2009 West Thirty-ninth avenue, Kansas City, Kansas, has been appointed an interne in the Peiping Union Medical College hospital at Peiping. Miss Haynes was graduated from the medical school of the University of Kansas last June. She expects to start for China June 20, serve as an interne in the Peiping hospital for two years, and afterwards become a medical missionary for a period of six years at the Bresee Memorial hospital, Taming Fu, Hopei province.

Construction work on the "White House," the official residence of the President of the National Government, which was started in Nanking, at Hsiaohung Shan (the Little Red Hill near Nanking) in 1931, is nearing completion. In an order to the Executive and Control Yuans and the Directotate-General of Budgets, Accounts and Statistics March 9, the National Government authorities authorized the inclusion of the building expenses, totalling $316,586, under the item of extraordinary national expenditure.

Dr. Toyohiko Kagawa, prominent Japanese Christian leader and social worker, arrived for a short visit end of last week in Shanghai. Dr. Kagawa had spent several weeks in Manila at the invitation of the National Church Federation of the Philippines. He was welcomed here by Dr. Sakamoto, of the Japanese legation, Mr. Inouye, secretary of the Japanese Y.M.C.A., Rev. T. Sarai, Rev. M. Furuya, Rev. Narita, and others. A dinner in his honor was given at the Japanese Club and was entertained at tiffin at the Chinese Y.M.C.A.

Dr. Anne Walter Fearn was the central figure at a reception and dinner given by Dr. H. H. Kung to members of the financial campaign in connection with National Child Welfare, March 9, when she was the recipient of a pair of binoculars, which it is hoped will be useful to her in her future travels. In presenting the gift, on behalf of himself, his wife, and the N.C.W. Association Dr. Kung expressed the hope that Dr. Fearn would have a happy time on her travels and shortly return to give her valuable aid to the deserving cause of China's poor children.

$2,000,000 Loan Signed to Erect Bridge at Hangchow

The draft agreement for a loan of $2,000,000 from Shanghai banking circles for the construction of an iron bridge across the Chientang River at Hangchow has been signed, according to Chou Chin-yen, Chekiang provincial commissioner of finance, who stated that funds for the new bridge will be made available early in June and constuction work will begin soon after.

Belgian Editor Sues Russian Daily for Libel

A. W. Beaumont, a Belgian subject, editor of the weekly Shanghai topical journal, the *Spectator*, has commenced an action in the Chinese District Court charging malicous libel against V. A. Chilikin, editor of the Shanghai newspaper *Kopeika*, Russian daily, in which was published what Mr. Beaumont charges was a falsely fabricated and ridiculous biography of himself in which his personal character was attacked. The Court at a sitting March 10 granted the request of the defendant that Beaumont file a further petition containing all the important passages on which he bases his claim for defamation of character.

In the issue of the *Kopeika* in question Beaumont's reported activities in Shanghai since his arrival here on June 14, 1929, were outlined. The floating of stock in a golf course, the opening of the "Speedway," dirt track racing, and of a cycle track "The Velodrome," are mentioned. The paper goes on to say that the last two ventures had to close up and left many debts behind, while the golf course also proved a very poor venture. It declared that Beaumont's real name is Adolf Israilovitch, that he was born in Belgium on March 4, 1897, of Polish-Jewish parentage.

Mr. Beaumont is a candidate for a seat as a member of the Shanghai Municipal Council.

Bakerite Company Makes Handsome Profit

The Bakerite Company, Fed. Inc. U.S.A., made net profits for the year ending 1933 of $75,106.52, according to the annual report of the board of directors. This compares with a profit of $96,338 for the preceding year. Profits for 1933 were reduced by expenses of $30,000 in employing an engineer and biscuit-maker, as well as tests of equipment of the new factory which could not be put on a profitable production basis in time to go into the statement. The capacity of the new plant was given at daily production of: 6,000 pounds of biscuits, 30,000 of bread and baking products, 40,00 of candy and 1,000 of chocolate. Gross sales for the year amounted to $1,292,716.91 as compared with $1,095,771.94, an increase of $196,944.97. A 15 percent dividend was declared.

Decision in "Sheng An" Piracy Case to Be Given March 29

At the concluding proceedings in Dairen March 8 of the *Sheng An* piracy trial, the prosecution recommended death for Hugo Taudien, Heinrich Westermann, Arthur Gautchi and Walter Muller, and a life sentence for George Schreider, the fifth foreign accused implicated in the case. Counsel for the defense, Mr. Matsumoto, urged the extradition of the prisoners, or, if that could not be granted, that lenient sentences be passed upon them. The court adjourned until March 29, when the accused will either be extradited or sentenced. A complete history of the piracy and incidental trial was printed in *The Review* Feb. 24.

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In the United States Court for China

In re.	Cause No. 3633
LAST WILL AND TESTAMENT of JOHN ROBINSON DICKSON Deceased	Special Proceedings No. 943 NOTICE Filed at Shanghai, China February 26, 1934 William T. Collins, Clerk. L. T. Kenake, Asst. Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOHN ROBINSON DICKSON, deceased, to present the same with vouchers to the undersigned on or before September 2nd, 1934, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

CHARLES M. MEYERS,
Treasurer of THE CHINA MISSIONS
Board of Foreign Missions of the
Presbyterian Church.

Shanghai, China.

February 26, 1934.

In the United States Court for China

In the mattet of Change of Name of, JACOB ADE POLONETZKY.	Cause No. 3638 S. P. No. 946 NOTICE

Notice is hereby given that Jacob Ade Polonetzky, an American citizen residing in China, has filed his petition in this Court praying for authority to change his name to JACOB ADE POLLON.

Any person interested may, on or before March 31, 1934, offer and show cause to said Court why the said petition should not be granted.

William T. Collins,
Clerk,
United States Court for China.

New Books of Interest in the Far East

A Japanese Dish Prepared by a British Officer

A Japanese Omelette. By Major R. V. Bodley. Published by the Hokuseido Press, Tokyo, 1933.

Major R. V. Bodley, Eton educated British army officer, has laid down the sword and taken up the pen. With a colored spectacle and an oiled mouth, he resolved to see and to say as many good things as possible about the Japanese Empire and the result of his resolution is this remarkable book which he fittingly named "A Japanese Omelette." The Major-author certainly took a great relish of Japanese dishes, as the book is full of record of dinner parties given in his honor by the Japanese. Seldom one comes across a book wherein the author makes such a meticulous record of entertainments tendered him as is noted in this volume of 235 pages. I counted no less than a dozen of them mentioned in it during the author's travels in Japan and territories occupied by the Japanese. Wherever he went, the good Major testified, he was treated "with the greatest courtesy and consideration" and sumptuously entertained, drinking excellent Japanese beer. He told that he had interviewed many great men in Japan, including his good friend, Tsutsui, "the nearest approach to a human encyclopedia" and likewise had his importance recognized by them in manners and lavish entertainments. A man thus royally "treated," it would be an act of ingratitude on his part not to give a good account of his observations to do justice to his mighty hosts and his own stomach. Certainly, Major Bodley, a fine officer, is not such a man and creditably he shows himself not to be.

The book makes no pretense to be a deep or scholarly study of Japanese life, but a potpourri of notes, comments and observations on a variety of subjects from state politics to *Geisha* girls. At best, it can be described as a book of travels and even at that, it is spoiled by his too obvious biased statements. In a detailed analysis, the Japanese omelette which the author hopes to entertain his readers is after all not so varied in ingredients. It is nothing more than an elaboration of a cringing praise of Japan, an utter condemnation of China, a specious justification of Japan's seizure of Manchuria and an unconvincing denial of the existence of Japanese military establishments in her mandated South Sea Islands, rounding out with a warning to the world—the Red Menace. The Major talked glibly in glorification of everything Japanese, their great destiny, their military efficiency, good manners, *Geisha* girls and the *Kimono*, but he could not help registering vehement complaints against two Japanese hotels in Nagasaki and Kamakura, whose management was so insulting and adopted such an insupportable attitude as "Take it or leave it." He pointed out that "Japan's role in the shaping of the future of the Far East in the 20th Century is as clear as Rome's was in Europe and Africa two thousand years ago" and that it was her turn to conquer and civilize. If Japan became aggressive and filched other men's land, he argued, she was perfectly entitled to do so, because she was following precedents set by the Western Powers themselves who therefore should have no cause to complain. Let the Far Eastern problem be one of China and Japan, he advised. You, Western Powers, better look after yourselves, ceasing criticising or interfering with Japan. He said he could not understand the attitude of the League of Nations towards Japan, nor the reasons of the verdict of the Lytton Commission. He talked as if the League or the Western Powers had petted China too much during the past three years.

This should suffice to give a general idea of the contents of the book under review. Now let us be specific at what he said and where he showed bias or displayed ignorance. He claimed to have spent no less than 18 months in China, but it seems that his acquaintance with Chinese names does not go beyond General Chiang Kai-shek and one General Hsu Siang-chen, who knifed his fellow countrymen in the back. This is what he said:

"During the whole of the period of trouble in Manchukuo, leaders like General Hsu Siang-chen have lost no opportunity to show their patriotism in knifing their own people in the back."

God knows who this great mischief maker General Hsu Siang-chen is and how and when he knifed his own people. Undoubtedly, we have an army of trouble makers in China, but as yet no one bearing that name has achieved such prominence as attributed to him by the British Major. It is good guess work, but the only regret is that the Major-author guessed wrong. Most probably, he meant some one else.

In his interviews with Hirota (Japan's Foreign Minister) and Gen. Araki (then War Minister), the retired British officer not only justified Japan's conquest of Manchuria, but openly incited Japanese militarists to dominate China by force. On behalf of China, he proferred thanks for Japanese administration of China's Northern Provinces and actually suggested the reorganization of North China under Japanese tutelage. These suggestions by a British Army officer, even though he is on retired list, are of considerable significance. They indicate more than a mere personal adventure of the man himself, but may be interpreted as some sort of international intrigue between Japan and Great Britain and may easily arouse misunderstandings on the part of China. Going still further, the British Major actually proposed a three-cornered agreement between Great Britain, United States and Japan to aid Japan in keeping peace in the Far Eastand in the achievement of her aim—domination of Asia by force. Finally, he lamented at the lack of foresight on the part of the Japanese in matters connected with Western reactions and suggested that this lack could be easily eliminated by the employment of the right type of foreign advisor. Unfortunately for the Major, the Japanese did not take the hint and make him their foreign advisor. Certainly, the Major is the right type of man for such a job. This book ought to be a good testimony of his competence as such.

He devoted several chapters on Manchukuo and shared the great hatred of Chang Hsueh-liang with Gen. Koiso for Chang's financing the volunteers and bandits to make Manchuria uneasy for the Japanese. In describing the origin of the Manchurian trouble he lightly skipped over the attendant circumstances with an innocent remark that someone blew up a portion of the S. M. R., but gave full details about the Chinese debacle. Here, the Major shows his genius as a journalist, because he knows how and where to gloss over things when it embarrasses him to detail. His description of Pu Yi is amusing. After recording his difficulty of approaching Pu Yi, he commented: "The Chief Executive has the brains and the personality to be more than a mere figurehead." Major, please define more accurately what category of human specie Pu Yi belongs to as the Chief Executive and more than a figurehead at one and the same time.

While recording his exploits in a Japanese university as a professor, the Major makes himself self-contradictory and ridiculous in one and the same sentence. Read the following and judge for yourself:

"After my experience at a Japanese university, I was struck by the contrast of the Chinese who speak foreign languages with much greater fluency than the Japanese, but have no desire to read anything foreign.—He (the Chinese student) does not wish to know anything about the outside world, which is one of the fundamental reasons for China's failure to establish herself as a world power."

It is really marvellous that Chinese who speak foreign languages with fluency, never read anything foreign. If the logic of this statement stands, all Chinese who speak foreign tongues must be born linguists. For else, there is no other way of speaking a foreign language without reading it. Does that statement appear a little ridiculous to the learned Major?

The reason he gave for China's failure to establish herself as a world Power is most absurd. The good Major may rest assured that Modern China certainly is well informed of things foreign, but the chief failure for her to be great and respected is her present inability to slaughter as well as his fellow countrymen or his Japanese friends. When China reaches the stage on competing terms with them in this art, perhap he will not conceal his admiration for her. Present conditions in the world are fast driving China in perfecting herself in this business of slaughter and history will record a day when China will show the world that she is competent to do so, even though the Major may not live to see it.

Mr. Bodley's attempt to blur the eyes of the world to Japanese military establishments in the mandated islands, though good intentioned, is certainly awkwardly done. The more he concealed them, the more he exposed them. And the result is that it creates suspicion and confirms their existence. In his interview with the Japanese Navy Minister, Admiral Osumi, after joining the Admiral in denying existence of either forticationsor airdromes, he suggested that if the N.Y.K. makes more publicity about their South Sea island trips, the fortification scare will disappear. Most prudently, the Admiral did not accept his suggestion. To give an expert opinion on the importance of these litte isles, the Major said:

"I am convinced that not only are the Japanese doing nothing to construct naval bases, but these ports (Yap, Palac, Saipan, Tinian and Angaur) would be quite unsuitable for anything but commercial purpose on a small scale.—The harbor of Saipan is no different to any others, except that it has a small pier under construction which when completed, will be utilizable by the smaller boats. There is nothing secret about the work being done.—Neither did I see any flat place which could be used as an airdrome or signs of oils tanks or refuelling bases.—As pointed out before, there is no question of any fortifying or establishing naval bases in the mandated islands, but nevertheless casual foreign travellers, while not prevented, are really not encouraged to visit this archipelago and their reasons for wishing to take the trip are apt to be querried, which of course, breed suspicion." He pictured these little islands just lovely and innocent coral atolls good for nothing but pleasure seeking, naving neither fortification nor strategic importance. Yet he described the resolute oration of the Japanese Captain of the wrecked boat on which he boraded, saying that these islands were essential to Japan as a defense line and would never be given up unless torn away by armed force. Does Mr. Bodley feel struck by the contrast of his innocent picture and Japanese determination to hold them as a defence line and appear ridiculous by the contrast?

In the last chapter, Bodley makes it appear that Japan is fighting the cause of the Western Capitalists—the Red menace—and should not be interfered with. The Red menace to him is a real and personal one, for he did not omit mentioning his exploits in Northern Iniad

where fortifications were erected more to combat the Red penetration than to suppress the Indian mutineers. Finally, he closed the book with this determination for Japan:

"The Powers of the West can pass resolutions or may even take drastic measures to try to coerce Japan into relinquishing what she has undertaken, but nothing short of decisive defeat will ever cause her to abandon her position on the Asiatic Mainland, which has aready cost her much in energy, money and human life."

This attunes exactly as a bellicose Japanese would say.

C. H. H.

Politics at Great Length in a Strange Guise

Letters to a Married Woman, by John H. C. Sleeman. The Alert Printing and Publishing Co., Ltd., Sydney, N. S. W.

To one who has read, and enjoyed, Mr. Sleeman's "White China," this later book proves something of a disappointment. I recall that a very favorable review of "White China" did criticize the careless journalistic style in which it was written, suggesting that the author would do well to have a literary friend go over his manuscript before publication for criticism and suggestion. A multiplicity of small errors, annoying to the reader, might thus be eliminated.

In the case of "Letters to a Married Woman," one feels that the author's greatest weakness lies in an inability to discriminate between what would be of general interest and what of local interest only. Had half the content been judiciously eliminated, the remainder would have held the reader's interest much better. After trying to wade through more than four hundred pages of rambling, often brilliant, comment on the politics of every country in general and Australia in particular, one views with dismay the press announcement that "More Letters to a Married Woman" are on the way.

What comment, rejoinder or repartee did these letters draw forth from the "Married Lady"? It seems to this reviewer like consummate egotism for the author to assume that every paragraph of *his* volminous epistles was worthy of publication, but nothing from the pen of the friend to whom he wrote, to break the monotony of his monologue. Perhaps the "married woman," like the reviewer, skipped paragraphs when the letters proved too long or detailed. Surely she could not have read at one sitting Letter No. XXIV, which in printed form is over a hundred pages in length, and attempting to review English (and American) poetry from the time of Chaucer seems wholly out of place in a volume of letters commenting designedly on politics of the present day.

G. T. F.

Shanghai Exports to the U.S.A. in February Amount to U.S. $1,184,437

Statistics issued by the U.S. Consulate General in Shanghai show that the total declared exports from Shanghai to the United States during the month of February, set at U.S.$1.184,437, was little less than the figure for the previous month (U.S,$1,190,291).

The largest single group classification in value exported was inedible animals and animal products (including raw hides and skins, furs and fur manufactured and other inedible manufactured products, such as bristles and feathers), which totalled U.S.$756,695 during February, as compared with the January total of U.S.$766,153. In this classification 305,223 weasel skins, valued at U.S.$365,470, and 828,080 goat and kid skins, valued at U.S.$259,315, were the principal items exported.

A total of U.S.$384,390 worth of cotton, wool, hair silk, jute, straw, textile products etc. and manufactures thereeof were exported to America during the month, as against the slightly lower January total of U.S.$366,260. In this group 400,894 bundles or pieces of sisal, ramie and buntal fiber, valued at U.S.$155,542, for making straw hats, headed the list in point of value and was about U.S.$20,000 more than that exported during January.

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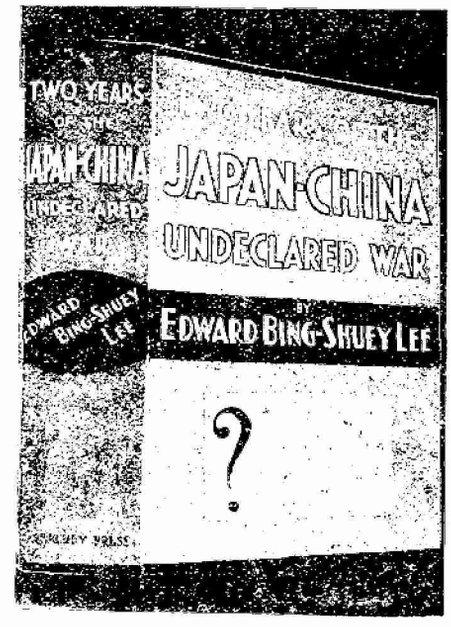

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The National City Bank of New York, Rates of Exchange

Shanghai, March 14, 1934

Demand selling rate on America:	U.S.$100=Sh. 284.19
Demand buying rate on America:	U.S.$100=Sh. $281.69
Demand selling rate on London:	£1.0.0.=Sh. $14.545
Domand rate on buying London:	£1.0.0=Sh.$14.382

68-128

Latest New York Stock Exchange Quotations

Market—Irregular — Business Done 1,270,000 Shares

March 14, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. Mar. 12	Tue. Mar. 13
13¾	8	—	Adams Express	10	10
33	11⅛	0.60	Alaska Juneau	21¼	20⅞
160	70¾	6.00	Allied Chemical & Dye	151⅞	150½
107⅛	19½	4.00	American Can	101½	100½
19⅜	5⅞	—	American & Foreign Power	11	10⅞
44⅞	7¼	—	American & Foreign Power 7% Pfd.	24⅜	24
58½	23⅝	5.00	Amer. & For. Power 5% debs. of 2030	51	58½
27¼	3⅛	—	American Metal Company	25½	24⅛
53½	10¾	—	American Smelting	46½	45¾
134¾	86½	9.00	American Tel. & Tel.	123⅞	123¼
94¾	50¾	5.00	American Tobacco "B"	69¾	70¾
43¼	10⅞	1.00	American Waterworks	20⅞	21⅛
80	35	6.00	American Waterworks $6 preferred	72	74
22⅞	5	—	Anaconda Copper	15¾	15½
18⅝	5⅞	—	Atlas Corporation	13¾	14
84¼	31	2.00	Auburn Automobiles	56⅝	55¾
37⅞	8¼	—	Baltimore & Ohio	30⅜	31⅛
49½	10⅛	—	Bethlehem Steel	44⅝	44
37⅞	18	1.60	Borden Company	24¼	24½
28½	5½	0.25	Borg Warner	25¼	26
20⅞	7¼	—	Canadian Pacific Railway	18¼	17½
103½	30½	—	Case, J. I.	75¼	74⅛
47⅞	16⅝	1.40	Chase National Bank	28	28
52½	14⅞	2.50	Chesapeake Corporation	40	40¾
59	7¾	1.00	Chrysler Corporation	54⅛	53⅝
46	25	5.50	Cities Service Power & Light 5½s/52	42	42
28⅞	9	0.50	Columbia Gas & Electric	16⅛	16¼
6⅛	1⅝	—	Commonwealth & Southern	2⅝	2⅞
64⅛	34⅜	3.00	Consolidated Gas of N. Y.	39⅝	40⅛
20½	4⅞	—	Continental Oil	19	19
9	2⅝	—	Coty Inc.	8¼	8
5⅛	1½	—	Curtiss Wright Company	4⅛	4⅜
102¾	32⅛	*2.00	Du Pont de Nemours	99	98½
93¾	46	3.00	Eastman Kodak	90½	89¾
41⅝	10	—	Electric Bond & Share	18¼	18⅛
66¾	25	6.00	Electric Bond & Share $6 preferred	47	47⅛
15⅞	3⅛	—	Electric Power & Light	7⅝	7¾
19¾	12	—	Fox Film "A"	15½	16
10¾	2⅞	—	General Aviation	7	7
30¼	10½	0.40	General Electric	22½	23⅝
39⅞	21	1.50	General Foods	34¾	34⅝
41½	10	*1.00	General Motors	38¾	38
49½	13¼	1.00	General Railway Signal	44	43¾
27⅝	12	1.20	Gold Dust	19⅞	20
47½	9¼	—	Goodyear Tire & Rubber	39	39
40¼	6⅛	—	International Cement	30½	30¼
46⅞	13⅝	0.60	International Harvester	42⅞	43
27¼	6¾	—	International Nickel	27¼	27
21¾	5⅛	—	International Tel. & Tel.	15⅜	15¼
69½	20⅛	4.50	Int. Tel. & Tel. conv. 4½s of 1939	69½	72
65¼	21¼	—	Johns Manville	58	58
26	7⅞	—	Kennecott	20½	20⅛
79⅞	37½	2.40	Lehman Corporation	Unq.	74¼
99⅞	40½	*4.00	Liggett & Myers "B"	85	85½
36½	8½	1.00	Loew's Inc.	32⅝	33⅛
25¼	10⅜	1.20	Lorillard P. (Com.)	17½	17¾
35⅜	8⅝	—	Montgomery Ward	33¾	32⅞
64⅛	16⅞	1.00	National City Bansk (bid price)	29½	29½
41⅝	5⅝	—	National Distiller	27⅞	27⅝
60½	34	5.00	New England Grs & Electric 5s 1947	52⅞	52¼
58½	14	—	New York Central	38⅛	39½
36½	12¾	8%S	North American	19⅝	19¾
96¾	31½	2.00	Owens Illionois Glass	86¼	86
31⅞	15	1.00	Pacific Gas & Electric	16⅝	20
6⅞	1⅜	—	Packard Motors	5¾	5⅝
42½	12¾	0.50	Pennsylvania Railroad	35	35½
6⅜	1½	—	Pennroad Corporation	3¼	3⅜
19½	4⅜	—	Phillips Petroleum	17⅞	17⅞
12¼	3	—	Radio Corporation	8⅛	8
54¼	26½	3.00	Reynolds Tobacco "B"	41½	41⅜
50⅞	12½	—	Sears Roebuck	49	48⅝
19½	6	1.00	Socony-Vacuum Corporation	16¾	16⅞
28	14¼	2.00	Southern California Edison	18¾	19
22½	5⅛	—	Standard Gas & Electric	13⅛	13⅛
77	35	6.00	Standard Gas & Elec. 6% notes 1935	70	69⅞
49⅛	22¾	1.00	Standard Oil Co. of N. J.	45⅝	45⅝
60¾	46	3.80	Sterling Products	54¼	54⅛
9	1½	—	Studebaker	7⅞	7⅝
30⅛	10¾	1.00	Texas Corporation	27	27⅝
9⅜	2⅝	0.12	Transamerica	7⅛	7⅜
51⅞	19¾	1.00	Union Carbide & Carbon	44¾	44
132¾	61¼	6.00	UnionPacific	128¼	128¾
46⅞	16½	—	United Aircraft & Trans.	24¾	24¾
14½	4⅛	—	United Corporation	7	6⅝
25	14	1.20	United Gas Improvement	17½	17½
25	2⅞	—	U. S. Rubber	20⅞	25⅝
67½	28⅜	—	U. S. Steel	54⅜	54½
51⅞	21¼	*2.00	Universal Leaf Tobacco	42	43
27¾	7⅝	—	Vanadium	28½	28⅝
9⅛	1	—	Warner Bros. Pictures	7	7
58¾	19¾	—	Westinghouse E. & M.	39½	39
53½	25⅛	2.40	Woolworth	51⅛	51⅝

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